

INTERIM REPORT

CLAVISTER HOLDING AB (PUBL)

APRIL – JUNE 2022

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SUMMARY OF PERIOD APRIL - JUNE 2022

FINANCIAL SUMMARY APRIL – JUNE 2022

- Order Intake amounted to 31.1 (84.7) MSEK.
- Net Sales amounted to 35.7 (29.6) MSEK. FX adjusted Net Sales amounted to 34.8 (30.0).
- Recurring revenue grew with 10 (25) %.
- Gross Profit amounted to 28.6 (27.1) MSEK, corresponding to a gross margin of 77.8 (85.3) %.
- EBITDA amounted to -10.1 (-4.8) MSEK.
- EBIT amounted to -20.3 (-14.1) MSEK.
- Net Profit amounted to -38.2 (-19.0) MSEK and earnings per share to -0.68 (-0.35) SEK.
- Cash and cash equivalents amounted to 66.0 (107.7) MSEK.

FINANCIAL SUMMARY JANUARY – JUNE 2022

- Order Intake amounted to 68.1 (120.8) MSEK.
- Net Sales amounted to 68.4 (60.2) MSEK. FX adjusted Net Sales amounted to 67.0 (61.6).
- Recurring revenue grew with 12 (18.5) %
- Gross Profit amounted to 56.3 (53.8) MSEK, corresponding to a gross margin of 79.8 (85.5) %.
- EBITDA amounted to -15.5 (-11.8) MSEK.
- EBIT amounted to -35.4 (-30.1) MSEK.
- Net Profit amounted to -64.4 (-45.3) MSEK and earnings per share to -1.14 (-0.85) SEK.
- Cash and cash equivalents amounted to 66.0 (107.7) MSEK.

Comparative figures are according to the adopted Annual Accounts of 2021. Numbers within parentheses refer to the corresponding period or date of last year, unless otherwise specified.

*Change in net sales refers to FX adjusted net sales.



The second quarter saw a revenue growth of 21%, a strong development of the Identity and Access Management (IAM) business and successes within the defence sector. The firewall business grew by 30% in terms of new customer contracts, and we doubled our hardware shipments to our customers. The cost optimization program is progressing according to plan and will give clear impact from the fourth quarter.



John Vestberg,
President and CEO, Clavister

COMMENTS BY THE CEO

The second quarter saw a revenue growth of 21%, a strong development of the Identity and Access Management (IAM) business and successes within the defence sector. The firewall business grew by 30% in terms of new customer contracts, and we doubled our hardware shipments to our customers. The cost optimization program is progressing according to plan and will give clear impact from the fourth quarter.

THE PERIOD IN SUMMARY

Looking back at the second quarter, I am particularly satisfied to see the continued positive development of our IAM solution. Sales remains strong along with a healthy profitability.

I am also pleased to see our successes within the defence industry - an exciting mix of commercial shipments, funded R&D projects in tight collaboration with large industry players, as well as an increased interest in our solution.

Our firewall business contributed with a high volume of deliveries in the quarter. The number of shipped firewall hardware units doubled compared to the second quarter of last year and the amount of new customer contracts grew by 30%. Our assessment is that our new business model is an important contributor to these growth numbers. The flip side of the new business model is a negative short-term impact on the order intake - where a deliberately low hardware price and a shorter average contract length reduces the initial order size. The upside of this is, however, that the total contract value is significantly higher, order intake levels more stable over time and the customer retention rates are better.

Our 5G Security business saw slow development in the period. No new significant license deals were signed - whereas our professional services consultants worked intimately with several of our operator customers to deploy previously acquired software licenses. This allows us to monetize on those operators' future expected mobile data growth.

5G is without doubt the mobile technology experiencing the fastest growth, but the market penetration is still in a very early phase. The cyber threats against 5G networks are very real and drive demand of our type of security solution. The take-up rate has however been slower than what we and external analysts had been expecting.

FINANCIAL DEVELOPMENT

The second quarter saw an order intake of 31 (85) MSEK. The comparative quarter had a significant single order amounting to 48 MSEK from the defence sector. Adjusted for this order, the order intake declined with 16%, related to the transformation to the new business model and slow development of the 5G business in the quarter.

Net sales grew by 21% and amounted to 36 (30) MSEK. Our recurring revenue grew by 10%.

Gross margin for the second quarter amounted to 78% (85%). We have doubled our shipments of firewall hardware compared to the second quarter last year, which has a short-term negative impact on gross margin. The global shortage of electronic components causes supply chain issues also in our industry. We have however worked proactively on this matter and deliberately

increased our inventory levels, thereby securing our delivery capacity for the foreseeable future.

Operating expenses amounted to -47 (-42) MSEK. The increased expenses in the period are not of structural nature but related to restructuring costs associated with our cost optimization program.

EBITDA amounted to -10 (-5) MSEK, impacted by lower capitalization of development and higher operating expenses. Cash flow from operating activities amounted to -9 (9) MSEK.

STRONG DEVELOPMENT OF THE IAM BUSINESS

The solution area IAM, which is run by our subsidiary PhenixID, demonstrated a positive development in the period, with continued strong sales and a healthy profitability.

Within the scope of the solution, a new version of the Signing Service / Workflow product was launched. The product manages digital signatures for documents and transactions and is fully compliant with directives and requirements from EU and ETSI, including PAdES and LTA. Region Stockholm is one of the key customers who has chosen to implement this product within their operations.

The CEO of PhenixID, Peter Laurén, chose to leave the company in the beginning of the quarter to take on new opportunities. I would like to thank Peter for the successful development of PhenixID's business and wish him all luck for the future. I would also like to welcome Johan Edlund as new CEO for PhenixID.

PhenixID has grown to become one of the leading suppliers of identity management in the Nordics. We see a continued strong potential for further growth, both within the Nordics as well as in other parts of the EU.

SUCCESSSES WITHIN THE DEFENCE SECTOR

The tense global security situation, with heavily increased European defence budgets as one consequence, starts to make an ever bigger impact on our business.

We note a solid interest from the defence industry for our solution, driven by the digitalization of defence platforms and thereby the need for modern cybersecurity. At the large Eurosatory defence trade show in Paris in June, we had the opportunity to present our AI-based security solution for large industry players. The response was positive and provided a good confirmation of the viability of our technology.

The major deal we signed with BAE Systems for a major Western European military organisation last year is progressing according to plan. Series delivery of our products will start around year-end and will continue over a four-year period.

Aside from the commercial projects which we are now delivering to, we have a number of running proof-of-concept projects with key players in the industry. Naturally, our ambition is to transform these projects into commercial integrations in those customers' defence platforms.

Recently, the European Defence Fund (EDF) granted 25 million Euros for a comprehensive defence research project. The project, which is run by a consortium consisting of, among others, General Dynamics, Leonardo and Clavister, aims to develop new

technologies for autonomous vehicles. Clavister's role in the project is to secure such vehicles against cyber attacks.

At the end of the quarter, the Swedish Defence Material Administration (Sw: FMV) awarded Clavister with a proof-of-concept project within their space program. In the project, Clavister's AI-based technology will be used to detect anomalies in military satellite communication.

We are pleased to see that our partner BAE Systems continues to win substantial deals with their CV90 IFV (Infantry Fighting Vehicle) platform. End of June, the Slovak ministry of defence announced their intention to purchase 150 vehicles from BAE Systems, with the same make and model as being delivered to the Dutch army. Shortly thereafter, also Czech Republic declared their decision to buy around 200 vehicles from BAE Systems. As these deals get to be formalized during the autumn, we will be able to announce their potential impact on Clavister's business.

COST OPTIMIZATION PROGRAM PROGRESSING

Our extensive cost optimization program, which was launched in the fourth quarter of 2021 is progressing according to plan. The number of FTEs has been reduced from 133 to 119 per the second quarter.

The aim is to finalize the program during the fourth quarter 2022 and reach the reduced run-rate cash OPEX during the fourth quarter.

OUTLOOK

Because of the impact of the transition to the subscription-based business model, we expect a moderate net sales growth in 2022 over 2021. As the effects of the transition normalize, we believe the net sales growth to increase to an average growth (CAGR) of 20% over the years 2023 through 2025.

On the back of our cost-optimization program, we expect to establish a significantly lower run-rate cash OPEX level which will have a clear positive impact on cash flow and EBITDA already in 2022.

I would like to thank all Clavister colleagues, partners, and our shareholders for their commitment to building a European cybersecurity leader!

John Vestberg, President and CEO

Örnsköldsvik, Sweden, 25 August 2022

COMMENTS ON CLAVISTER'S INTERIM FINANCIAL STATEMENTS

ORDER INTAKE

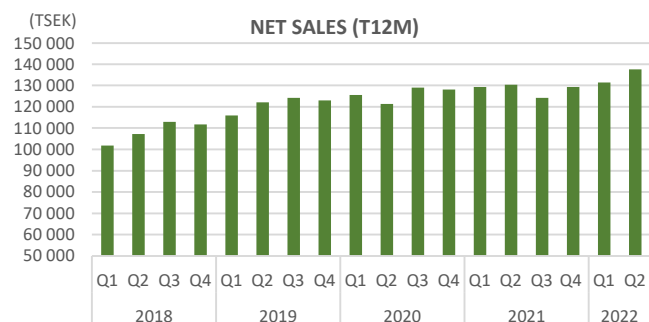
Total Order Intake for the quarter amounted to 31.1 (84.7) MSEK, a year-on-year decrease of 63%. The comparative quarter includes an order intake of 47.7 MSEK from the defence sector. Adjusted for this order, the order intake for the comparative period amounted to 37 MSEK, a decrease in order intake of 16%. The decrease is primarily related to the transformation to the new business model and a slower development of the 5G business in the quarter.



The order book balance on 30 June 2022 amounted to 83.7 (83.2) MSEK. Deferred revenue from pre-paid contracts and prepaid consulting services amounted to 61.6 (57.9) MSEK on 30 June 2022, whereof 42.8 MSEK will be recognized as revenue during the coming 12-month period.

NET SALES

Net Sales for the quarter amounted to 35.7 (29.6) MSEK, a year-on-year increase of 21%. Adjusted for currency effects Net Sales amounted to 34.8 (30.0) MSEK, an increase of 16%.

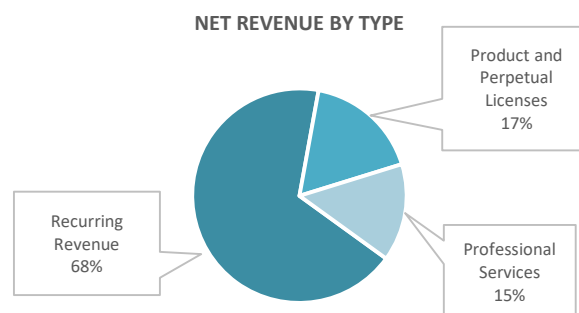


The subscription-based business model, launched during the fourth quarter 2021, has a short-term negative impact on recognized revenues as more of the contract value is linked to software license recognized over time. The new contracts in the subscription-based business model will, after the initial transaction, contribute with higher recurring revenue and cash flows during the contract period compared to corresponding contracts in the previous model.

Recurring revenue from software subscriptions and other term-based contracts grew with 10 (25) % in the quarter and represented 68 (74) % of total net sales.

NET REVENUE BY TYPE

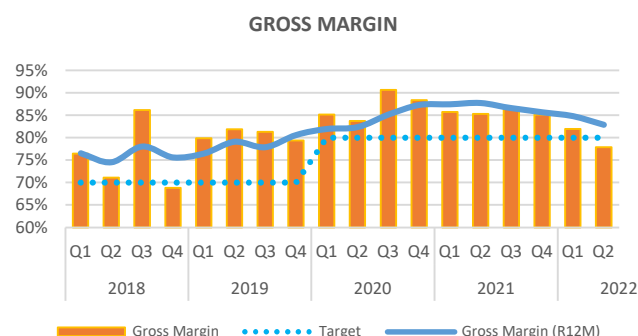
(TSEK)	2022	2021	Y/Y (%)	2021
	Apr - Jun	Apr - Jun		Jan - Dec
Recurring Revenue from subscriptions	24 254	21 989	10%	88 520
Product and perpetual license revenue	6 204	3 505	77%	21 644
Professional services	5 279	4 068	30%	19 135
Net Sales	35 737	29 562	21%	129 300



GROSS MARGIN AND GROSS PROFIT

Gross margin amounted to 77.8% (85.3%). The change in margin is primarily explained by growth in hardware sales, which in volume, measured as number of units, increased with 98% compared to the comparative quarter. In the new business model, the margin at initial delivery of new hardware is lower, which gives a negative impact on the gross margin, during the remainder of the contract period the margin is higher as the pricing of the software component has increased.

The increased hardware costs due to component shortages weakens the margin in the quarter. Access to hardware components have been secured for the foreseeable future. Pricing on hardware has been adjusted from July 1, 2022, to counteract the increased costs on hardware. The change in margin is also explained by nominal variations in product mix.



Gross profit for the quarter amounted to 28.6 (27.1) MSEK, an increase by 5.6%.

OPERATING EXPENSES AND OPERATIONAL RESULT

Total operating expenses amounted to -47.0 (-42.2) MSEK. Adjusted for non-recurring costs operating expenses amounted to -44.4 (-45.0). The quarter was impacted by non-recurring costs of -2.6 (2.8) MSEK.

Personnel expenses amounted to -36.0 (-36.1) MSEK. Organizational changes generated non-recurring costs -2.6 (0) MSEK.

Other external expenses amounted to -10.9 (-6.1) MSEK. During prior year the rental agreement relating to the office in Umeå was terminated in advance and the related provision was released with a positive effect on other external expenses of 2.8 MSEK.

Other external expenses consist mainly of marketing, IT and communication and external consultants. The increase in of other external expenses in the period compared to the comparative period mainly relates to increased expenses for marketing and temporary external consultants to secure the company's development of software.

EBITDA amounted to -10.1 (-4.8) MSEK.

Depreciation and amortization amounted to -10.2 (-9.3) MSEK, whereof -1.4 (-1.5) MSEK is attributed to IFRS 16.

EBIT amounted to -20.3 (-14.1) MSEK.

COST OPTIMIZATION PROGRAM

The cost optimization program that was launched in the end of the fourth quarter 2021 with the aim to reduce run-rate cash OPEX with 20 %, compared with the ending cost level as of the fourth quarter 2021, is proceeding according to plan.

Activities with the aim of reducing the reported cost level in the P&L are carried out on an ongoing basis and most of the program's planned activities are estimated to be completed by the end of the third quarter. There is a lag between the completed activity and its impact on reported costs, there are hence a delay before the program's full impact is visible on the reported cost level in the P&L.

The aim is to finalize the program during the fourth quarter 2022 and reach the reduced run-rate cash OPEX during the fourth quarter.

The table below illustrates the savings objective of the program.

MSEK	
Run rate cash OPEX per exit 2021	-196
Further investment in go to market 2022	-8
Cost optimization program	40
Run rate cash OPEX per exit 2022	-164*

* Note that run-rate cash OPEX and P&L OPEX will differ, hence there will be a lag between reduced run-rate Cash OPEX and OPEX visible in the P&L.

FINANCIAL NET

Financial income and expenses amounted to -17.6 (-4.9) MSEK, whereof currency revaluations for long-term liabilities -6.8 (2.3) MSEK, costs for warrants and costs related to long-term liabilities -5.0 (-3.4) MSEK, and long-term interest to lenders -4.7 (-2.4) MSEK. These items are non-cash.

The Financial net consists of the following items impacting cash-flow; interest on factoring, short-term interest to lenders and interest income -1.1 (-0.9) MSEK, interest on leasing contracts under IFRS 16 0 (-0.5) MSEK.

RESULT AFTER TAXES

Result after taxes amounted to -37.9 (-19.0) MSEK.

INVESTMENTS IN INTANGIBLE ASSETS

There were no investments in intangible during the quarter except for capitalized costs for development work amounting to 8.5 (10.3) MSEK, whereof 8.3 (10.3) MSEK refers to capitalized hourly costs.

CAPITALIZED DEVELOPMENT

TSEK	2022	2021	Y/Y (%)	2021
	Apr - Jun	Apr - Jun		Jan-Dec
Capitalization of development costs	8 495	10 324	-18%	39 414
Amortization of capitalized development costs	-8 460	-6 705	26%	-26 107
Change in capitalization of development costs	35	3 619		13 307

BALANCE SHEET AND FINANCIAL POSITION

Shareholders' Equity and Liabilities

Equity amounted to -115.5 (-20.3) MSEK. Negative group equity is not an issue from a Companies Act perspective. Equity for the parent company Clavister Holding AB amounted to 181.7 (461.6) MSEK. The large decrease is due to impairment of shares in subsidiaries done in the fourth quarter 2021, further explained under the section impairment testing.

Interest-bearing Liabilities

On 30 June 2022, interest-bearing liabilities amounted to 230.2 (222.6) MSEK, distributed between long-term debt of 227.3 (217.8) MSEK and short-term debt of 2.9 (4.8) MSEK.

Financial Net Debt

On 30 June 2022, the financial net debt amounted to -164.2 (-114.9) MSEK.

CASH-FLOW

Cash flow from operating activities amounted to -8.6 (-9.4) MSEK. Increased inventory, to prevent disturbances in supply of components, impacts the Cash flow from operating activities with -2.4 MSEK.

Cash flow from investing activities amounted to -8.5 (-10.3) MSEK and is attributed to the capitalization of development costs of -8.5 MSEK.

Cash flow from financing activities amounted to -1.4 (-2.1) MSEK. For the current quarter, of which all is related to repayment of lease liabilities.

Change in cash position was -18.5 (-3.0) MSEK. Cash balance amounted to 66.0 (107.7) MSEK on 30 June 2022.

IMPAIRMENT TESTING

During the impairment testing of shares in subsidiaries as of 31 December 2021 an impairment need was identified resulting in an impairment of 200 (0) MSEK during the fourth quarter 2021. No additional need for impairment has been identified during the second quarter 2022.

MARKET

For market information, please refer to the latest annual report on Clavister's website.

PERSONNEL AND ORGANIZATION

On 30 June 2022, the number of full-time equivalent employees (FTE) amounted to 119 (133). Clavister also engaged external consultants corresponding to 16 (10) persons at the end of the period.

DISPUTES AND LITIGATIONS

There were no disputes or legal proceedings of significant financial impact during the reporting period.

TRANSACTIONS WITH RELATED PARTIES

No significant business transactions between related parties and Clavister have occurred during the reporting period.

RISKS AND UNCERTAINTIES

Kindly see the Annual Report 2021 and the homepage, where an extensive summary is provided of risks and uncertainties in the business that could significantly affect the results and share performance.

MATERIAL POST-CLOSING EVENTS

No material post-closing events have occurred.

AMBITIONS AND PLANNING ASSUMPTIONS

Because of the impact of the transition to the subscription-based business model, we expect a moderate net sales growth in 2022 over 2021. As the effects of the transition normalize, we believe the net sales growth to increase to an average growth (CAGR) of 20% over the years 2023 through 2025.

Assuming the component shortage situation gets mitigated, and no additional severe Covid-related impacts or severe impacts from Russia's war on Ukraine, to our business, Clavister's ambition is further to reach a sustainable EBITDA profitability level during 2022, and to demonstrate positive Free Cash Flow (FCF) by 2023.

The ongoing Covid-19 pandemic contributes to higher uncertainty in assessing the development of the global cyber security industry.

The FY2022 ambition is based on the following assumptions:

- Moderate net sales growth during 2022 over 2021 and thereafter at least 20% per year on average, over three years 2023 through 2025
- 80%+ gross margin; variations over quarters due to product mix and transition to recurring revenue business model
- Successful completion of the cost optimization program by end of Q3 2022 with a run-rate cash OPEX reduction with 20% from the 2021 exit run-rate level
- Controlled mid-term impact by the COVID-19 pandemic

Clavister's long-term ambition is to provide industry-leading profitability and Free Cash Flow.

CONDENSED CONSOLIDATED INCOME STATEMENT

(TSEK)	2022	2021	2022	2021	2021
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net sales	35 737	29 562	68 379	60 168	129 300
Other revenue	992	2 158	2 185	2 748	4 738
Total revenue	36 729	31 720	70 564	62 916	134 038
COGS	-8 140	-4 658	-14 250	-9 125	-19 189
Gross profit	28 588	27 062	56 313	53 791	114 849
Cap. Dev. Expenses	8 271	10 324	18 560	19 172	38 139
Staff costs	-36 019	-36 114	-69 648	-71 872	-142 756
Other external costs	-10 949	-6 090	-20 760	-12 899	-31 033
EBITDA	-10 108	-4 818	-15 534	-11 808	-20 801
Depreciation and amortization	-10 195	-9 278	-19 830	-18 251	-36 423
EBIT	-20 303	-14 096	-35 364	-30 059	-57 224
Financial items	-17 573	-4 855	-28 702	-15 299	-34 300
Result after financial items	-37 876	-18 951	-64 066	-45 358	-91 525
Taxes	-308	-10	-308	87	384
Net profit - loss	-38 184	-18 961	-64 374	-45 271	-91 141
<i>Average number of shares before dilution</i>	<i>56 530 354</i>	<i>54 826 571</i>	<i>56 530 354</i>	<i>53 564 792</i>	<i>54 416 683</i>
<i>Average number of shares after dilution</i>	<i>63 472 756</i>	<i>59 187 459</i>	<i>63 472 756</i>	<i>59 187 459</i>	<i>60 039 350</i>
<i>Earnings per share before dilution, SEK</i>	<i>-0,68</i>	<i>-0,35</i>	<i>-1,14</i>	<i>-0,85</i>	<i>-1,67</i>
<i>Earnings per share after dilution, SEK</i>	<i>-0,68</i>	<i>-0,35</i>	<i>-1,14</i>	<i>-0,85</i>	<i>-1,67</i>
Net profit relating to					
Shareholders of the Parent Company	-38 184	-18 961	-64 374	-45 271	-91 141
<i>Total results of the Group:</i>					
Net profit (loss) end of the period	-38 184	-18 961	-64 374	-45 271	-91 141
Other profit	-337	11	-377	22	-40
Net profit (loss)	-38 521	-18 950	-64 751	-45 249	-91 181

CONDENSED CONSOLIDATED BALANCE SHEET

(TSEK)	2022-06-30	2021-06-30	2021-12-31
Assets			
Non-current assets			
Goodwill	66 697	51 875	66 697
Intangible assets	112 931	106 109	111 220
Right of use assets	4 822	9 345	7 601
Deferred tax asset	80	0	0
Other long-term receivables	365	121	419
Total non-current assets	184 896	167 450	185 937
Current assets			
Inventories	9 861	5 451	5 890
Current receivables	35 878	25 291	49 823
Cash and bank balances	65 977	107 691	49 886
Total current assets	111 716	138 433	105 599
Total assets	296 612	305 883	291 536
Equity and liabilities			
Equity			
Equity	-115 521	-20 267	-53 722
Total equity	-115 521	-20 267	-53 722
Liabilities			
Long-term liabilities			
Convertible debentures	8 196	9 422	0
Liabilities to credit institutions	247 852	205 434	222 588
Lease liabilities	3 389	5 851	3 389
Deferred tax liabilities	0	555	104
Total long-term liabilities	259 438	221 261	226 081
Current liabilities			
Convertible debentures	0	0	9 728
Lease liabilities	2 674	4 792	5 453
Accounts payable	6 291	7 525	10 190
Other liabilities	56 110	11 582	9 701
Deferred revenues	61 561	57 857	60 187
Accrued expenses and deferred income	25 676	23 133	20 519
Provisions	383	0	3 400
Total current liabilities	152 695	104 889	119 177
Total liabilities	412 132	326 150	345 258
Total equity and liabilities	296 612	305 883	291 536

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(TSEK)</i>	2022	2021	2022	2021	2021
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Equity, beginning of period	-79 952	-14 369	-53 722	12 068	12 068
Cash issue	0	0	0	17 665	30 265
Issue expenses	0	0	0	-139	-250
Non-registered issue	0	0	0	-17 665	-17 665
Non-registered issue	0	13	0	13	0
Share-based compensation	1 093	13 040	1 093	13 040	13 040
Equity component at convertible loan	1 858	0	1 858	0	0
Other total income for the period	-337	11	-377	22	-40
Result for the period	-38 184	-18 961	-64 374	-45 271	-91 141
Equity, end of period	-115 521	-20 267	-115 521	-20 267	-53 722

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(TSEK)	2022	2021	2022	2021	2021
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Profit (loss) before taxes	-37 876	-18 951	-64 066	-45 358	-91 525
Reversal of depreciation and write-downs	10 195	9 278	19 830	18 251	36 423
Other adjustments for non-cash items, etc *	16 511	3 608	26 683	14 465	31 924
Paid taxes	30	-555	64	-1 087	-202
Cash flow from operating activities before working capital changes	-11 140	-6 620	-17 489	-13 729	-23 380
Changes in inventories	-2 397	939	-3 971	1 789	1 350
Changes in operating receivables	3 306	19 557	13 323	20 806	-4 223
Changes in operating liabilities	1 653	-4 459	46 183	-35 015	-30 063
Cash flow from operating activities	-8 578	9 417	38 046	-26 149	-56 316
Investment of capitalized development work	-8 495	-10 324	-19 230	-19 172	-39 414
Acquisition of subsidiaries	0	0	0	0	-2 772
Other acquisition of financial fixed assets	0	0	54	0	-192
Cash flow from investing activities	-8 495	-10 324	-19 176	-19 172	-42 378
Amortization of leasing liabilities	-1 378	-2 158	-2 779	-3 757	-8 649
New share issue, incl transaction cost	0	0	0	17 526	18 091
Other changes in financing activities	0	105	0	-3 946	-4 051
Cash flow from financing activities	-1 378	-2 053	-2 779	9 823	5 391
Change in Cash Position	-18 451	-2 960	16 091	-35 498	-93 303
Cash, beginning of period	84 428	110 651	49 886	143 189	143 189
Cash, end of period	65 977	107 691	65 977	107 691	49 886

* "Other adjustments for non-cash items, etc " consist of exchange rate gains/loss for loans in other currencies, capitalized expenses associated with loans and interest convertible loans.

CONDENSED INCOME STATEMENT FOR PARENT COMPANY CLAVISTER HOLDING AB

(TSEK)	2022	2021	2022	2021	2021
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net sales	1 501	1 500	3 003	3 000	6 250
Other Revenue	0	1	0	1	1
Total revenue	1 501	1 501	3 003	3 001	6 251
Staff costs	-6 669	-3 887	-8 916	-9 083	-16 005
Other external costs	-852	-1 810	-2 070	-3 507	-6 389
EBITDA	-6 021	-4 196	-7 984	-9 589	-16 142
Write-down of shares in subsidiaries	0	0	0	0	-200 000
Financial items	-175	-158	-342	-288	-594
Result after financial items	-6 196	-4 354	-8 326	-9 877	-216 736
Group contribution paid	0	0	0	0	-80 000
Taxes	-279	0	-279	126	261
Net result	-6 475	-4 354	-8 605	-9 751	-296 475

CONDENSED BALANCE SHEET FOR PARENT COMPANY CLAVISTER HOLDING AB

<i>(TSEK)</i>	2022-06-30	2021-06-30	2021-12-31
Assets			
Fixed assets			
Shares in group companies	401 174	572 862	400 082
Total fixed assets	401 174	572 862	400 082
Current assets			
Current receivables	267	281	757
Cash and bank balances	10 382	32 689	13 845
Total current assets	10 649	32 970	14 602
Total assets	411 823	605 832	414 684
Equity and liabilities			
Equity			
Equity	181 695	461 597	187 350
Total equity	181 695	461 597	187 350
Liabilities			
Long-term liabilities			
Convertible debentures	8 196	9 422	0
Liabilities to Group companies	199 462	129 987	199 462
Deferred tax	0	238	104
Total long-term liabilities	207 658	139 647	199 566
Current liabilities			
Liabilities to Group companies	11 950	0	11 950
Convertible debentures	0	0	9 728
Accounts payable	753	509	1 400
Other liabilities	4 363	725	685
Accrued expenses and deferred income	5 020	3 354	2 175
Provisions	383	0	1 830
Total current liabilities	22 469	4 588	27 768
Total liabilities	230 128	144 235	227 334
Total equity and liabilities	411 823	605 832	414 684

NOTES

NOTE 1 ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by European Union (EU).

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, ÅRL (the Swedish Annual Accounts Act) and RFR 2, Accounting for legal entities, issued by the Swedish Financial Reporting Board. The same accounting principles and methods of computation are followed in this interim financial statement, as in the most recent annual financial statements 2021.

NOTE 2 SEGMENT REPORTING

A business segment is a part of the Group which operates independently and can generate revenue and incur costs and the operating result is reviewed by the Group's chief operating decisionmaker and for which there is separate and individual financial information available.

Management reviews the Group's business performance from a net sales perspective, totally and broken down into separate geographical markets. Costs are not reviewed on a geographical market instead from a total and functional cost base breakdown. Management reviews the Group's operating result as a whole and therefore the Group is considered to be a segment in the interim report.

NOTE 3 SHAREHOLDERS AND SHARES

The share capital amounts to 5,653,035 SEK, with a par value of 0.1 SEK per share. Clavister Holding's shares are listed on Nasdaq First North. There is only one type of share in existence. Each share represents one vote at the General Meeting. On 30 June 2022, the number of shareholders amounted to 5,238 and the number of registered shares were 56,530,354.

	Number of shares	% of total number of shares
THE 10 LARGEST SHAREHOLDERS	2022-06-30	
HSBC Trinkhaus and Burkhardt AG	4 547 637	8.0%
Försäkringsaktiebolaget, Avanza Pension	4 161 565	7.4%
Goldman Sachs International	3 395 535	6.0%
Nordnet Pensionsförsäkring AB	2 954 171	5.2%
CSD Invest AB	2 521 589	4.5%
Swedbank Försäkring	1 979 220	3.5%
Stena Finans	1 756 462	3.1%
Futur Pension	1 532 212	2.7%
UBP Clients DTTA 15 PCT	1 511 210	2.7%
RBCB Investor Services Bank	1 466 666	2.6%
Other Shareholders	30 704 087	54.3%
Shares registered under the Companies Registration Office as of 2022-06-30	56 530 354	100,0%
Additional shares potentially issued in 2022 through 2038, due to warrants and convertible loan	8 046 251	
Number of shares after full dilution	64 576 605	

NOTE 4 SHARE-RELATED PROGRAMS (WARRANTS) AND CONVERTIBLE LOAN

WARRANTS

During the second quarter, an incentive program for the employees of at most 630,000 warrants with a share price of 10.95 was approved by the annual general meeting. Subscription within the program was launched and completed during the quarter. There are two current incentive programs addressed to personnel with a total of 2,730,000 warrants. These warrants mature in 2024 and 2025. Pricing is based on the Black & Scholes option-pricing model. Payment of the warrant options has been made in accordance with the extrapolated price according to the Black & Scholes model and has therefore not affected the Group's Income statement by any charges.

There are additionally five warrant programs with a total amount of warrants of 3,533,719 related to loan financing. 19,801 warrants mature in 2026, 1,770,079 warrants mature in 2037 and 1,743,839 warrants mature in 2038.

Holders of warrants will be entitled to subscribe for one new share in the company for each warrant. The total number of issued warrants amounts to 6,263,719.

Warrants	Number issued	Redeemed/ Due	Open	Share Price, SEK
TO 2016-2026	19 801	0	19 801	0.10
TO 2017 - 2037	1 770 079	0	1 770 079	0.10
TO 2018 - 2038-04-30	36 703	0	36 703	0.10
TO 2021 - 2024-06-30	2 100 000	0	2 100 000	15.93
TO 2020 - 2038-04-30	101 805	0	101 805	0.10
TO 2021 - 2038-04-30	1 605 331	0	1 605 331	0.10
TO 2022 - 2025-06-30	630 000	0	630 000	10.95
	6 263 719	0	6 263 719	

CONVERTIBLE LOAN

During the quarter, the convertible loan with maturity date May 31, 2022, has been repaid and a new convertible loan with Norrlandsfonden has been issued. The issued convertible loan matures on May 31, 2027, and amounts to 10 MSEK with a conversion price of 5.61 SEK. At potential conversion there will be an additional 1 782 532 shares. The interest rate is based on STIBOR 90 +2.5%.

Convertible loan	Number issued	Redeemed/ Due	Open	Share Price, SEK
Conv loan 2027-05-31	1 782 532	0	1 782 532	5.61
Total	1 782 532	0	1 782 532	5.61

NOT 5 KEY DATA AND FIGURES

TSEK	2022	2021	2022	2021	2021
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net sales (TSEK)	35 737	29 562	68 379	60 168	129 300
Total revenue (TSEK)	36 729	31 720	70 564	62 917	134 038
Gross profit (TSEK)	28 588	27 062	56 313	53 791	114 849
Gross margin (%)	77,8%	85,3%	79,8%	85,5%	85,7%
EBITDA (TSEK)	-10 108	-4 818	-15 534	-11 808	-20 801
Operating profit (TSEK)	-20 303	-14 096	-35 364	-30 059	-57 224
Net profit (loss) (TSEK)	-38 184	-18 961	-64 374	-45 271	-91 141
Earnings per share (SEK) before dilution	-0,68	-0,35	-1,14	-0,85	-1,67
Earnings per share (SEK) after dilution	-0,68	-0,35	-1,14	-0,85	-1,67
Price per earnings (SEK)	N/A	N/A	N/A	N/A	-3,50
Equity per share	-2,11	-0,37	-2,11	-0,37	-0,95
Number of shares before dilution at the end of the period	56 530 354	54 826 571	56 530 354	54 826 571	56 530 354
Number of shares after dilution at the end of the period	64 576 605	60 665 124	64 576 605	60 665 124	62 368 907
Average number of shares before dilution	56 530 354	54 826 571	56 530 354	53 564 792	54 416 683
Average number of shares after dilution	63 472 756	59 187 459	63 472 756	59 187 459	60 039 350
Number of employees at the end of period (FTE)	119	133	119	133	133
Average number of employees (FTE)	126	135	126	133	133
Number of employees and external resources at end of period	135	143	135	143	147
Equity/assets ratio (%)	Negative	Negative	Negative	Negative	Negative
Quick ratio (%)	67%	1,27	67%	127%	84%
Net debt (-), Net cash (+) (TSEK)	-164 197	-114 872	-164 197	-114 872	-172 999

NOTE 6 PLEDGED ASSETS

GROUP			
<i>(TSEK)</i>	2022-06-30	2021-06-30	2021-12-31
Pledged accounts receivable	1 895	327	6 852
Other pledged assets	121	121	121
Total	2 016	448	6 973
PARENT COMPANY			
<i>(TSEK)</i>	2022-06-30	2021-06-30	2021-12-31
No Pledged assets	0	0	0
Total	0	0	0

NOTE 7 CONTINGENT LIABILITIES

GROUP			
<i>(TSEK)</i>	2022-06-30	2021-06-30	2021-12-31
Contribution for short-term working	0	1 854	0
Total	0	1 854	0
PARENT COMPANY			
<i>(TSEK)</i>	2022-06-30	2021-06-30	2021-12-31
No Contingent liabilities	0	0	0
Total	0	0	0

NOTE 8 ALTERNATIVE PERFORMANCE MEASURES

Clavister uses various key figures, including alternative performance measures (APMs), for internal analysis purposes and for external communication of the operations' results, performance and financial position.

The aim of these APMs is to illustrate the performance measures tailored to operations that, in addition to the other key figures, enable various stakeholders to more accurately assess and value Clavister's historical, current, and future performance and position.

ALTERNATIVE PERFORMANCE MEASURES

<i>(TSEK)</i>	2022	2021	2021
	Apr - Jun	Apr - Jun	Jan - Dec
Order intake	31 098	84 689	191 648
Invoices sales (Billings)	32 443	24 211	118 945
Recurring Revenue	24 254	21 989	88 520

NOTE 9 DEFINITIONS

Order Intake – Total net sum of all legally binding customer orders in the period together with the net sum of all contract renewals in the period.

Contract renewals – Total net sum of renewals of existing license agreements in the period.

Order book balance – The net value of orders recorded and not recognized as revenue. Recording of orders is only done for orders that meet certain criteria and the order book balance is monitored continuously. Revenue is recognized in accordance with the revenue recognition principles (as described in the annual report 2021). Adjustments of the net order book value may occur from time to time due to for instance currency fluctuations, cancellations, or other minor adjustments of previously recorded orders.

Cash OPEX – Operational expenditures, including capitalized R&D, with a cash-flow impact.

Recurring Revenue – The portion of revenues that is expected to continue in the future. Unlike one-off sales, these revenues are predictable, stable and can be counted on to occur at regular intervals going forward with a relatively high degree of certainty and with relatively low cost of sales.

TCV (Total contract Value) – The entire revenue generated by one single customer contract.

LTV (Life-time Value) – The total value of a customer contract during the total lifespan of the contract.

SHAREHOLDER INFORMATION

ABOUT CLAVISTER

Clavister is a leading European cybersecurity vendor with over 20 years of experience. Seated in Sweden, the company has customers in more than 150 countries; Communication Service Providers, Governments, Enterprises and Managed security service providers (MSSPs).

FINANCIAL CALENDER

Clavister intends to distribute financial reports on the dates below:

EVENT	Date
Interim report July-September 2022	November 10, 2022
Interim report October-December 2022	February 16, 2023

Financial reports, press releases, and other business information is available from the date of publication on Clavister's website.

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Any forward-looking statements in this report are based on Clavister's best assessment at the time of the report. Actual result may materially differ. Clavister does not publish any forecasts.

The CEO ensures that the interim report gives a true and fair view of the Group's and the Parent Company's business, position and results and describes significant risks and uncertainties faced by the company and the companies included in the Group.

This interim report has not been subject to special review by the Company's auditor.

Örnsköldsvik, Sweden, 25th of August 2022

John Vestberg
 CEO and President