

INTERIM REPORT

CLAVISTER HOLDING AB (PUBL)

OCTOBER – DECEMBER 2022

CLAVISTER®

CONNECT • PROTECT

SUMMARY OF PERIOD OCTOBER - DECEMBER 2022

Quarterly Key Highlights

- Positive and greatly improved EBITDA.
- Positive cash flow from underlying business.
- Reported OPEX decreased with 20%.

FINANCIAL SUMMARY OCTOBER – DECEMBER 2022

- Order Intake amounted to 43.3 (44.3) MSEK.
- Net Sales amounted to 39.6 (36.0) MSEK. FX adjusted Net Sales amounted to 37.9 (35.9).
- Recurring revenue grew with 0 (43.3) %.
- Gross Profit amounted to 34.2 (31.5) MSEK, corresponding to a gross margin of 78.9 (85.1) %.
- EBITDA amounted to 0.4 (-11.6) MSEK.
- EBIT amounted to -10.1 (-20.7) MSEK.
- Net Profit amounted to -32.4 (-29.3) MSEK and earnings per share to -0.57 (-0.53) SEK.
- Cash and cash equivalents amounted to 42.4 (49.9) MSEK.

No material post-closing events have occurred.

FINANCIAL SUMMARY JANUARY – DECEMBER 2022

- Order Intake amounted to 136.3 (191.6) MSEK.
- Net Sales amounted to 142.7 (129.3) MSEK. FX adjusted Net Sales amounted to 138.6 (131.1).
- Recurring revenue grew with 7.1 (26.4) %
- Gross Profit amounted to 121.7 (114.8) MSEK, corresponding to a gross margin of 81.4 (85.7) %.
- EBITDA amounted to -11.0 (-20.8) MSEK.
- EBIT amounted to -51.4 (-57.2) MSEK.
- Net Profit amounted to -112.8 (-91.1) MSEK and earnings per share to -2.00 (-1.67) SEK.
- Cash and cash equivalents amounted to 42.4 (49.9) 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.

“We continue to drive growth and for the second consecutive quarter, we reported positive EBITDA.

The period saw a positive and significantly improved cash flow from operations.

The firewall and IAM businesses developed strongly, and commercial deliveries have started in the defense sector.



John Vestberg,
President and CEO, Clavister

COMMENTS BY THE CEO

We continue to drive growth and for the second consecutive quarter, we reported positive EBITDA. The period saw a positive and significantly improved cash flow from operations. The firewall and IAM businesses developed strongly, and commercial deliveries have started in the defense sector.

THE QUARTER IN SUMMARY

We end the full year 2022 with a quarter that, in my opinion, we have every reason to be proud of. We continue to drive growth and achieved net sales of 40 (36) MSEK in the period, which corresponds to an increase of 10%. Including our externally financed R&D projects in the defense sector, our total revenue for the period grew by 17% to 43 (37) MSEK.

For the second consecutive quarter, we report a positive EBITDA result - an improvement of 12 MSEK compared to the same period the previous year. This is our first EBITDA positive fourth quarter ever.

However, even more important is that the cash flow from our operations was positive at 7 MSEK, an improvement of as much as 14 MSEK for the quarter. With a cash position of 42 MSEK at the end of the quarter - in combination with significantly improved cash flows - we feel confident about our liquidity situation.

The order intake in the fourth quarter amounted to 43 (44) MSEK. The slightly lower order intake is mainly due to the transition to the new business model with a greater proportion of shorter contract lengths. The total contract value per customer over time is expected to be higher in the new business model.

FIREWALL BUSINESS ENHANCED WITH CLOUD SERVICES

In the fourth quarter, our firewall business had a strong performance, with an increase of over 60% in the number of hardware units delivered. There were no disruptive orders during the quarter - the growth came from our regular sales operations.

In the same quarter, we launched the first commercial version of Clavister Cloud Services, our cloud-based cybersecurity solution that is the result from a year and a half of product development. Rather than creating a whole new business area, we decided to offer the solution as an additional service to our firewall business to reduce costs and risks.

Clavister Cloud Services is based on the SASE (Secure Access Service Edge) concept, which enables companies and government agencies to access extensive cybersecurity capabilities via a convenient cloud service.

Clavister's service is deployed on Swedish infrastructure, unlike competing SASE solutions which primarily use American cloud services. Swedish delivery is a pre-requisite for Swedish authorities to be able to use cloud-based cybersecurity without compromising on privacy and data storage policies. Furthermore, Clavister's solution is developed in a way that makes it possible to scale up the offering to other countries with low marginal cost.

The first version of Clavister Cloud Services provides security management including analysis and reporting, as well as password-less strong authentication.

Over time, the service will be supplemented with additional cloud-based capabilities based on both existing and upcoming Clavister IPR.

STRONG END TO THE YEAR IN THE IAM BUSINESS

The Identity and Access Management (IAM) business, operated through the wholly-owned subsidiary PhenixID, also had a strong end to the year with both high order intake and extensive deliveries.

A large customer group for our IAM solution is the Swedish public sector, where the solution is deployed at a large number of regions, municipalities and agencies.

The IAM business is currently concentrated on Swedish customers but has no technical limitations that hinder a gradual European expansion.

COMMERCIAL DELIVERIES TO THE DEFENCE SECTOR

The strong interest from the defense sector for our solutions continues, driven by the digitalization of defense platforms and increased defense spending.

In the quarter, we have initiated commercial deliveries within the framework of previously won defense projects. Further and more extensive deliveries will be carried out during the years 2023 to 2025.

We have built up an extensive pipeline of business opportunities, and we are optimistic about winning additional significant deals within the defense sector in the near future.

5G BUSINESS CHARACTERIZED BY DEPLOYMENTS

In the 5G business, the quarter has been characterized by the design and deployment of previously sold licensing contracts. We note that the lead time from initial sales to deployment is in most cases several years, which requires endurance but at the same time creates an installed base that drives licensing and consulting revenue over long periods going forward.

We expect the 5G business to continue to grow in 2023, primarily driven by an increased rollout pace of the so-called stand-alone 5G core networks from the operators' side.

THE YEAR IN REVIEW

We look back on a year with a clear focus on optimizing our operations. We have chosen to steer our sales focus towards mission-critical businesses within the EU, primarily towards customers in the public sector, critical infrastructure, defense, and telecom - customer groups where we have clear competitive advantages given our strong product portfolio combined with a Swedish technology background.

The past year has also been characterized by the extensive cost optimization program we have implemented with the aim of achieving positive cash flows during 2023. The program aimed to reduce ongoing operating expenses from a level of 196 MSEK to a level of no more than 164 MSEK.

We have reached further than our goal, which means that for the full year 2022, we report operating expenses, adjusted for one-time effects of the program, of less than 164 MSEK. Further activities have been carried out during the fourth quarter, which will result in further reduction in the cost base in 2023 as well.

For the full year, net sales increased by 10% to 143 (129) MSEK, which was in line with our stated goal of moderate growth for the year - based on the knowledge that the transition to the subscription-based business model entails a distribution of revenues from new customer contracts over a longer period of time.

For the full year, a gross margin of 81 (86)% was achieved - slightly above our stated target level of 80%.

OUTLOOK

We expect an increase in sales growth in 2023 compared to 2022. We believe that the growth can gradually increase to an average of 20% for the years 2023 through 2025 (CAGR).

As a result of the cost optimizations carried out, we expect to reach a lower level of operating costs in 2023 compared to 2022, which, in combination with increased sales volumes, will lead to a significant improvement in cash flow and positive EBITDA for the year. Our ambition is to achieve a positive operational cash flow in the second half of 2023.

I would like to thank all colleagues, resellers, customers, and shareholders for their commitment in building Clavister into a European leader in cybersecurity!

*John Vestberg, President and CEO
Örnsköldsvik, Sweden, 16 February 2023*

COMMENTS ON CLAVISTER'S INTERIM FINANCIAL STATEMENTS

ORDER INTAKE

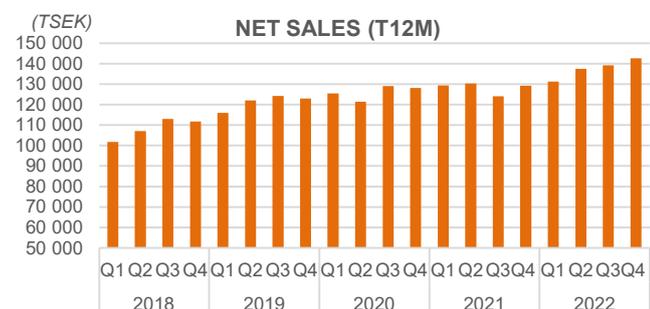
Total Order Intake for the quarter amounted to 43.3 (44.3) MSEK, a year-on-year decrease of 2 %. The decrease is primarily explained by the transition to the new business model with a larger portion of contracts with shorter contract lengths.



The order book balance on 31 December 2022 amounted to 74.2 (86.6) MSEK. Deferred revenue from pre-paid contracts and prepaid consulting services amounted to 64.5 (60.2) MSEK on 31 December 2022, whereof 41.9 (40.5) MSEK will be recognized as revenue during the coming 12-month period.

NET SALES

Net Sales for the quarter amounted to 39.6 (36.0) MSEK, a year-on-year increase of 10 %. Adjusted for currency effects Net Sales amounted to 37.9 (35.9) MSEK, an increase of 6 %.



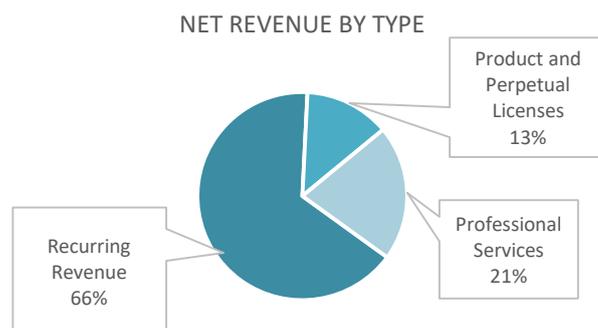
The subscription-based business model, launched during the fourth quarter 2021, has a short-term negative impact on recognized revenues as more of the contract value is linked to software license recognized over time. The new contracts in the subscription-based business model will, after the initial 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 by 0 (43.3) % in the quarter and represented 66 (72) % of total net sales.

In the quarter, revenues from the revenue category product and perpetual licenses increased by 44%. The increase is explained by commencement of serial delivery on the large defence order received in the second quarter of 2021.

NET REVENUE BY TYPE

(TSEK)	2022	2021	Y/Y (%)	2022	2021
	Oct - Dec	Oct - Dec		Jan - Dec	Jan - Dec
Recurring Revenue from subscriptions	26 020	26 035	0%	94 806	88 520
Product and perpetual license revenue	5 212	3 630	44%	20 485	21 644
Professional services	8 322	6 356	31%	27 412	19 136
Net Sales	39 554	36 020	10%	142 703	129 300



GROSS MARGIN AND GROSS PROFIT

Gross margin amounted to 78.9 % (85.1%). The change in margin is primarily explained by the growth in hardware sales, in volume, measured as the number of units, increased by 63% compared to the comparative quarter. In the new business model, the margin for initial delivery of new hardware is lower, which has 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 and the current macro-economic situation weakens the margin in the quarter. Access to hardware components has been secured for the foreseeable future. Pricing on hardware has been adjusted from January 1, 2023, 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 34.2 (31.5) MSEK, an increase by 8.6 %.

OPERATING EXPENSES AND OPERATIONAL RESULT

Total operating expenses amounted to -43.6 (-54.6) MSEK. The quarter was impacted by non-recurring expenses of -0.8 (-3.4) MSEK. Adjusted for non-recurring expenses operating expenses amounted to 42.8 (-51.2) MSEK.

Personnel expenses amounted to -30.4 (-43.1) MSEK. The fourth quarter was impacted by MSEK non-recurring expenses of -0.1 (-3.4) MSEK relating to restructuring of parts of the organisation.

Other external expenses amounted to -13.2 (-11.5) MSEK, whereof non-recurring expenses amounted to -0.7 (0) MSEK. Adjusted for non-recurring expenses other external expenses amounted to -12.5 (-11.5) 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 within IAM.

EBITDA amounted to 0.4 (-11.6) MSEK. Adjusted for non-recurring expenses EBITDA amounted to 1.2 (-8.2) MSEK.

Depreciation and amortization costs amounted to -10.5 (-9.1) MSEK, whereof -0.8 (-1.2) MSEK is attributed to IFRS 16.

EBIT amounted to -10.1 (-20.7) MSEK.

COST OPTIMIZATION PROGRAM

The cost optimization program that was launched at the end of the fourth quarter 2021 with the aim to reduce run-rate cash OPEX by 20 %, compared with the ending cost level as of the fourth quarter 2021, was finalized in its current form at the end of the third quarter. The reduced run-rate cash OPEX has been reached during the fourth quarter.

At the end of 2022, the aim of the cost optimization program has been surpassed with a run-rate cash OPEX lower than 164 MSEK. Further activities have been carried out during the fourth quarter, which will result in further reduction in the cost base in 2023.

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 -22.3 (-8.9) MSEK, whereof currency revaluations for long-term liabilities -8.7 (-0.5) MSEK, costs for warrants and costs related to long-term liabilities -5.1 (-4.7) MSEK, and long-term interest to lenders -5.7 (-2.9) 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 -2.8 (-0.7) MSEK, interest on leasing contracts under IFRS 16 0 (-0.1) MSEK. The increase is explained by increased market interest rates as well as increased interest rates on the EIB loan.

During the fourth quarter of 2022, and in earlier periods, the financial net has been burdened by expenses for warrants related to the loan from EIB. These expenses will decrease from -5.1 MSEK to -1.6 MSEK during the first quarter of 2023, and thereafter decrease further during the second quarter of 2023. The expenses for warrants will be reduced by 17.7 MSEK in 2023 compared to 2022.

RESULT AFTER TAXES

Result after taxes amounted to -32.4 (-29.3) MSEK.

INVESTMENTS IN INTANGIBLE ASSETS

Capitalized costs for development work amounts to 10.2 (12.1) MSEK, whereof 9.8 (11.5) MSEK refers to capitalized hourly costs.

Omen Technologies was acquired in the comparative period, resulting in a goodwill of 14.8 MSEK. No acquisitions have been made in the current period.

CAPITALIZED DEVELOPMENT

TSEK	2022	2021	Y/Y	2022	2021
	Oct- Dec	Oct- Dec	(%)	Jan-Dec	Jan-Dec
Capitalization of development costs	10 231	12 089	-15%	36 394	39 414
Amortization of capitalized development costs	-9 131	-7 314	25%	-34 188	-26 107
Change in capitalization of development costs	1 100	4 775		2 206	13 307

BALANCE SHEET AND FINANCIAL POSITION**Shareholders' Equity and Liabilities**

Equity amounted to -163.6 (-53.8) MSEK. Negative group equity is not an issue from a Companies Act perspective. Equity for the parent company Clavister Holding AB amounted to 112.4 (187.4) MSEK.

Interest-bearing Liabilities

On 31 December 2022, interest-bearing liabilities amounted to 296.2 (222.9) MSEK, distributed between long-term debt of 283.6 (207.6) MSEK and short-term debt of 12.6 (15.3) MSEK. The increase in interest-bearing liabilities refers mostly to the deferment of repayment of the Covid-19 related support program for deferred tax payment related to personnel and VAT.

Financial Net Debt

On 31 December 2022, the financial net debt amounted to -253.7 (-173.0) MSEK.

CASH-FLOW

Cash flow from operating activities amounted to 7,2 (-6.5) MSEK, positively impacted by Cash flow from operating activities before working capital changes improved by 8.9 MSEK to -2 MSEK and changes in working capital improved by 5 MSEK compared to previous year.

The operating cash flow in the period is positive, explained by a structurally reduced expense mass and increased net sales.

Cash flow from investing activities amounted to -10.2 (-15.1) MSEK, attributed to the capitalization of development costs of -10.2 (-12.1) MSEK.

Cash flow from financing activities amounted to 57.8 (-3.6) MSEK.

Change in cash position was -4.6 (-25.2) MSEK. Cash balance amounted to 42.4 (49.9) MSEK on 31 December 2022.

IMPAIRMENT TESTING

No need for impairment has been identified during the fourth quarter 2022.

MARKET

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

PERSONNEL AND ORGANIZATION

On 31 December 2022, the number of full-time equivalent employees (FTE) amounted to 108 (133). Clavister also engaged external consultants corresponding to 21 (14) 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.

With regards to the war in Ukraine, Clavister currently has no financial exposure to Russia and Ukraine.

Given the uncertainties surrounding the ongoing conflict, it is difficult to predict potential indirect effects on Clavister. As of December 31, 2022, there is no impact on any balance sheet items.

Clavister's cash and bank balances as of 31 December 2022 amounts to 42.4 MSEK and short-term receivables amounts to 52.6

MSEK. The Group's access to liquidity, in a short-term perspective, is assessed as good.

For the coming 12-month period the access to financing is secured because of lowered operating expenses, renegotiated amortization terms with EIB and approved deferral of taxes. The possibility of further deferrals regarding the payment of taxes provides additional safety margins. Ongoing, and already realized reductions in expenses have a positive effect on the long-term cash flow. The Board of Directors and Management are pursuing several activities to secure long-term financing of the company.

MATERIAL POST-CLOSING EVENTS

No material post-closing events have occurred.

AMBITIONS AND PLANNING ASSUMPTIONS

We expect an increase in sales growth in 2023 compared to 2022. We believe that the growth can gradually increase to an average of 20% for the years 2023 through 2025 (CAGR).

As a result of the cost optimizations carried out, we expect to reach a lower level of operating costs in 2023 compared to 2022, which, in combination with increased sales volumes, will lead to a significant improvement in cash flow and positive EBITDA for the year. Our ambition is to achieve a positive operational cash flow in the second half of 2023.

The on-going war in Ukraine, the component shortage situation, and the remaining effects from the Covid-19 pandemic contributes to higher uncertainty in assessing the development of the global cyber security industry.

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

CONDENSED CONSOLIDATED INCOME STATEMENT

(TSEK)	2022	2021	2022	2021
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales	39 554	36 020	142 703	129 300
Other revenue	3 804	994	6 704	4 738
Total revenue	43 358	37 014	149 407	134 038
COGS	-9 169	-5 527	-27 739	-19 189
Gross profit	34 189	31 487	121 667	114 849
Cap. Dev. Expenses	9 766	11 554	35 001	38 139
Staff costs	-30 373	-43 094	-123 829	-142 756
Other external costs	-13 225	-11 526	-43 829	-31 033
EBITDA	357	-11 579	-10 989	-20 801
Depreciation and amortization	-10 465	-9 087	-40 407	-36 423
EBIT	-10 108	-20 667	-51 396	-57 225
Financial items	-22 313	-8 902	-61 127	-34 300
Result after financial items	-32 421	-29 569	-112 523	-91 525
Taxes	14	311	-309	384
Net profit - loss	-32 407	-29 257	-112 832	-91 141
<i>Average number of shares before dilution</i>	<i>56 530 354</i>	<i>55 528 463</i>	<i>56 530 354</i>	<i>54 416 683</i>
<i>Average number of shares after dilution</i>	<i>64 698 003</i>	<i>62 368 907</i>	<i>63 594 154</i>	<i>60 039 350</i>
<i>Earnings per share before dilution, SEK</i>	<i>-0,57</i>	<i>-0,53</i>	<i>-2,00</i>	<i>-1,67</i>
<i>Earnings per share after dilution, SEK</i>	<i>-0,57</i>	<i>-0,53</i>	<i>-2,00</i>	<i>-1,67</i>
Net profit relating to				
Shareholders of the Parent Company	-32 407	-29 257	-112 832	-91 141
<i>Total results of the Group:</i>				
Net profit (loss) end of the period	-32 407	-29 257	-112 832	-91 141
Other profit	-33	-66	0	-40
Net profit (loss)	-32 440	-29 323	-112 832	-91 181

CONDENSED CONSOLIDATED BALANCE SHEET

<i>(TSEK)</i>	2022-12-31	2021-12-31
Assets		
Non-current assets		
Goodwill	66 697	66 697
Intangible assets	110 979	111 220
Right of use assets	3 870	7 601
Deferred tax asset	0	0
Other long-term receivables	1 140	419
Total non-current assets	182 687	185 937
Current assets		
Inventories	13 520	5 890
Current receivables	52 639	49 823
Cash and bank balances	42 412	49 886
Total current assets	108 572	105 599
Total assets	291 258	291 536
Equity and liabilities		
Equity		
Equity	-163 613	-53 722
Total equity	-163 613	-53 722
Liabilities		
Long-term liabilities		
Convertible debentures	8 523	0
Liabilities to credit institutions	270 468	222 588
Lease liabilities	179	3 389
Deferred tax liabilities	383	104
Other long-term liabilities	59 316	0
Total long-term liabilities	338 869	226 081
Current liabilities		
Convertible debentures	0	9 728
Liabilities to credit institutions	5 564	0
Lease liabilities	3 830	5 453
Accounts payable	10 234	10 190
Other liabilities	9 358	9 701
Deferred revenues	64 537	60 187
Accrued expenses and deferred income	22 480	20 519
Provisions	0	3 400
Total current liabilities	116 002	119 177
Total liabilities	454 871	345 258
Total equity and liabilities	291 258	291 536

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(TSEK)	2022	2021	2022	2021
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Equity, beginning of period	-131 166	-36 349	-53 722	12 068
Cash issue	0	12 600	0	30 265
Issue expenses	0	-111	0	-250
Non-registered issue	0	0	0	-17 665
Non-registered issue	0	-538	-3	0
Share-based compensation	0	0	1 093	13 040
Equity component at convertible loan	0	0	1 858	0
Other total income for the period	-40	-66	-7	-40
Result for the period	-32 407	-29 257	-112 832	-91 141
Equity, end of period	-163 613	-53 722	-163 613	-53 722

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(TSEK)	2022	2021	2022	2021
	Okt - Dec	Okt - Dec	Jan - Dec	Jan - Dec
Profit (loss) before taxes	-32 421	-29 569	-112 523	-91 525
Reversal of depreciation and write-downs	10 465	9 087	40 407	36 423
Other adjustments for non-cash items, etc *	19 558	8 157	55 190	31 924
Paid taxes	399	1 440	-311	-202
Cash flow from operating activities before working capital changes	-1 999	-10 885	-17 237	-23 379
Changes in inventories	1 127	-41	-7 630	1 350
Changes in operating receivables	-6 432	-16 881	-458	-4 223
Changes in operating liabilities	14 478	21 265	628	-30 063
Cash flow from operating activities	7 175	-6 542	-24 697	-56 316
Investment of capitalized development work	-10 231	-12 089	-36 394	-39 414
Acquisition of subsidiaries	0	-2 772	0	-2 772
Other acquisition of financial fixed assets	0	-192	54	-192
Cash flow from investing activities	-10 231	-15 053	-36 340	-42 378
Borrowings**	-194	0	59 122	0
Amortization of leasing liabilities	-543	-3 650	-4 790	-8 649
New share issue, incl transaction cost	0	27	3	18 091
Other changes in financing activities	-773	0	-773	-4 051
Cash flow from financing activities	-1 510	-3 623	53 562	5 391
Change in Cash Position	-4 566	-25 218	-7 475	-93 303
Cash, beginning of period	46 977	75 104	49 886	143 189
Cash, end of period	42 412	49 886	42 412	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.

** For the full year 2022, a reclassification has been made of previously reported short-term operating liability to long-term financial liability, which also led to a reclassification from cash flow from operating activities to cash flow from financing activities.

CONDENSED INCOME STATEMENT FOR PARENT COMPANY CLAVISTER HOLDING AB

<i>(TSEK)</i>	2022	2021	2022	2021
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales	1 500	1 750	6 003	6 250
Other Revenue	0	0	0	1
Total revenue	1 500	1 750	6 003	6 251
Staff costs	-2 849	-4 099	-13 271	-16 005
Other external costs	-972	-1 816	-3 919	-6 389
EBITDA	-2 321	-4 164	-11 187	-16 142
Write-down of shares in subsidiaries	0	-200 000	0	-200 000
Financial items	-366	-153	-974	-594
Result after financial items	-2 687	-204 317	-12 161	-216 736
Group contribution paid	-65 500	-80 000	-65 500	-80 000
Taxes	0	135	-279	261
Net result	-68 187	-284 182	-77 940	-296 475

CONDENSED BALANCE SHEET FOR PARENT COMPANY CLAVISTER HOLDING AB

<i>(TSEK)</i>	2022-12-31	2021-12-31
Assets		
Fixed assets		
Shares in group companies	414 174	400 082
Receivables from group companies	1 550	0
Total fixed assets	415 724	400 082
Current assets		
Current receivables	374	757
Cash and bank balances	4 361	13 845
Total current assets	4 734	14 602
Total assets	420 459	414 684
Equity and liabilities		
Equity		
Equity	112 363	187 350
Total equity	112 363	187 350
Liabilities		
Long-term liabilities		
Convertible debentures	8 523	0
Liabilities to Group companies	291 462	199 462
Deferred tax	383	104
Other long-term liabilities	4 283	0
Total long-term liabilities	304 651	199 566
Current liabilities		
Liabilities to Group companies	0	11 950
Convertible debentures	0	9 728
Accounts payable	454	1 400
Other liabilities	963	685
Accrued expenses and deferred income	2 027	2 175
Provisions	0	1 830
Total current liabilities	3 445	27 768
Total liabilities	308 096	227 334
Total equity and liabilities	420 459	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 31 December 2022, the number of shareholders amounted to 5,219 and the number of registered shares was 56,530,354.

	Number of shares	% of total number of shares
THE 10 LARGEST SHAREHOLDERS	2022-12-31	
Avanza Pension	4 384 882	7,8%
Lloyd Fonds AG	3 905 575	6,9%
Nordnet Pensionsförsäkring AB	3 762 447	6,7%
ÖstVäst Capital Management	3 395 536	6,0%
Per Anders Bendt	2 980 237	5,3%
Staffan Dahlström	2 521 589	4,5%
Swedbank Insurance	2 051 190	3,6%
Futur Pension	1 803 113	3,2%
Stena	1 756 462	3,1%
Lupus alpha	1 466 666	2,6%
Other Shareholders	28 502 657	50,4%
Shares registered under the Companies Registration Office as of 2022-12-31	56 530 354	100,0%
Additional shares potentially issued in 2022 through 2038, due to warrants and convertible loan	8 289 047	
Number of shares after full dilution	64 819 401	

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

WARRANTS

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 3,776,719 related to loan financing. 19,801 warrants mature in 2026, 1,770,079 warrants mature in 2037 and 1,986,635 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 6,506,515.

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 - 2038-04-30	242 796	0	242 796	0,10
TO 2022 - 2025-06-30	630 000	0	630 000	10,95
	6 506 515	0	6 506 515	

CONVERTIBLE LOAN

The issued convertible loan amounts to 10 MSEK and matures on May 31, 2027, 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 FIGURE

TSEK	2022	2021	2022	2021
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales (TSEK)	39 554	36 020	142 703	129 300
Total revenue (TSEK)	43 358	37 014	149 407	134 038
Gross profit (TSEK)	34 189	31 487	121 667	114 849
Gross margin (%)	78,9%	85,1%	81,4%	85,7%
EBITDA (TSEK)	357	-11 610	-10 989	-20 801
Operating profit (TSEK)	-10 108	-20 667	-51 396	-57 225
Net profit (loss) (TSEK)	-32 407	-29 257	-112 832	-91 141
Earnings per share (SEK) before dilution	-0,57	-0,53	-2,00	-1,67
Earnings per share (SEK) after dilution	-0,57	-0,53	-2,00	-1,67
Price per earnings (SEK)	N/A	N/A	-1,47	-3,50
Equity per share	-2,89	-0,95	-2,89	-0,95
Number of shares before dilution at the end of the period	56 530 354	56 530 354	56 530 354	56 530 354
Number of shares after dilution at the end of the period	64 819 401	62 368 907	64 819 401	62 368 907
Average number of shares before dilution	56 530 354	55 528 463	56 530 354	54 416 683
Average number of shares after dilution	64 698 003	62 368 907	63 594 154	60 039 350
Number of employees at the end of period (FTE)	108	133	108	133
Average number of employees (FTE)	111	134	121	133
Number of employees and external resources at end of period	129	147	129	147
Equity/assets ratio (%)	Negative	Negative	Negative	Negative
Quick ratio (%)	82%	84%	82%	84%
Net debt (-), Net cash (+) (TSEK)	-253 861	-172 999	-253 861	-172 999

NOTE 6 PLEDGED ASSETS

GROUP		
<i>(TSEK)</i>	2022-12-31	2021-12-31
Pledged accounts receivable	3 617	6 852
Other pledged assets	121	121
Total	3 738	6 973

PARENT COMPANY

<i>(TSEK)</i>	2022-12-31	2021-12-31
No Pledged assets	0	0
Total	0	0

NOTE 7 CONTINGENT LIABILITIES

GROUP		
<i>(TSEK)</i>	2022-12-31	2021-12-31
No Contingent liabilities	0	0
Total	0	0

PARENT COMPANY

<i>(TSEK)</i>	2022-12-31	2021-12-31
No Contingent liabilities	0	0
Total	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 Oct - Dec	2021 Oct - Dec	2022 Jan - Dec	2021 Jan - Dec
Order intake	43 266	44 303	136 251	191 648
Invoices sales (Billings)	50 573	40 646	145 994	118 945
Recurring Revenue	26 020	26 035	94 805	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 a 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 delivers to 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
Annual report published	April 25, 2023
Interim report January - March 2023	May 10, 2023
Annual General Meeting	May 16, 2023
Interim report April - June 2023	August 24, 2023

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

INVESTOR RELATIONS

David Nordström, CFO
 Telephone: +46 (0)660 29 92 00
 E-mail: ir@clavister.com
www.clavister.com

COMMISSIONED RESEARCH

ABG Sundal Collier
 Telephone: +46 (0) 8 566 286 89
 E-mail: simon.jonsson@abgsc.se
www.introduce.se/foretag/clavister/start

CERTIFIED ADVISOR

FNCA Sweden AB
www.fnca.se

THE SHARE

Exchange: Nasdaq First North
 Symbol: CLAV
 ISIN-code: SE0005308558

AUDITOR

PwC Sverige
 Authorized public accountant: Claes Sjödin
 E-mail: claes.sjoedin@pwc.com
www.pwc.se

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 review by the Company's auditor.

Örnsköldsvik, Sweden, 16th of February 2023

John Vestberg
 CEO and President