

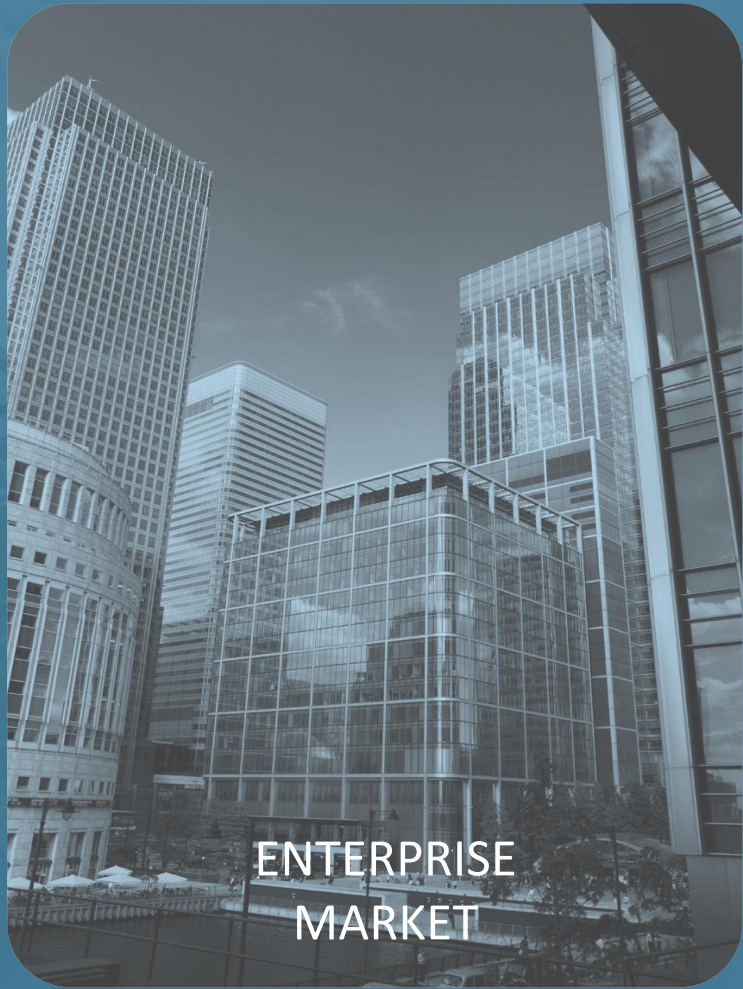
# Clavister

Investor Brief prior to EGM at December 11, 2017

# Agenda.

- Clavister Business Opportunity
- Funding Partners and Funding Structure
- Compensation for Board Committees
- Proposed new member to the Board of Directors

Clavister aims to be established as a significant global cybersecurity vendor by 2022.



ENTERPRISE  
MARKET



COMMUNICATION  
SERVICE PROVIDER  
MARKET



INTERNET OF THINGS (IoT)



DATACENTER /  
CLOUD COMPUTING



DEFENSE /  
CONNECTED VEHICLES

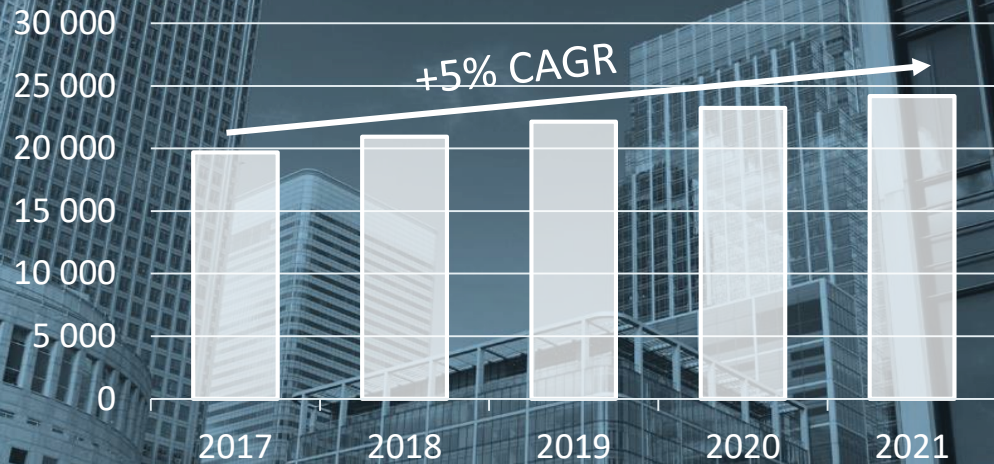


Clavister Cybersecurity  
Technology Platform



# ENTERPRISE MARKET

Total Addressable Market (MUSD)



## Market Goal

- Gain significant market share in our core markets (*Nordics, Germany, Japan, South-East Asia*)
- Scaling business with existing customers / partners
- Replicate the business to new partners / verticals

## Investment Focus

- Sales and Marketing (Headcount)
- Product Development (Portfolio Depth & Breadth)
- Research & Innovation

- Clavister is well-positioned for the Enterprise segment

- Highly profitable and scalable business model:

**+70%**

Gross Margin

**+40%**

Recurring Revenue

**93%**

Customer Satisfaction

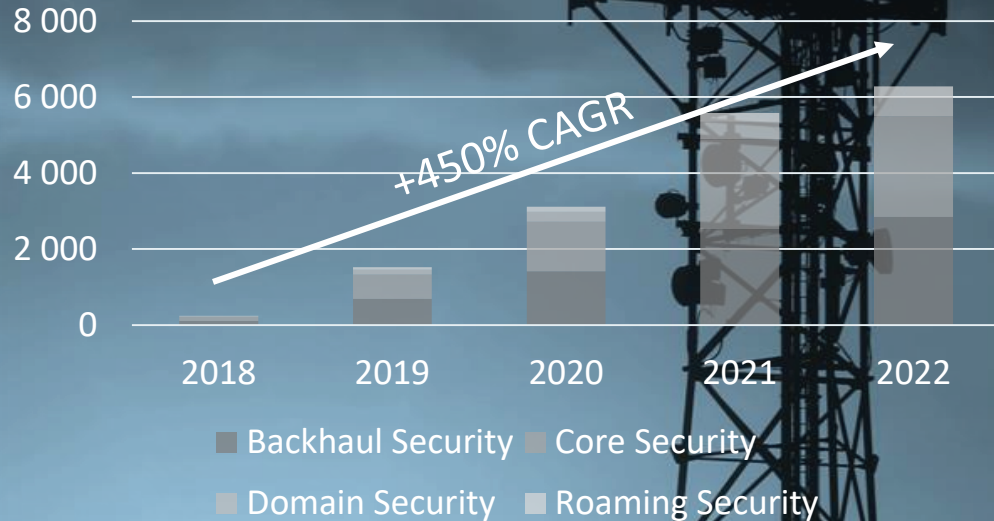
- High-profile reference customers in many verticals:



- Strong momentum from Q2 and Q3 (+39% Y/Y) has continued into Q4 and is pushing the company towards a strong quarter

# COMMUNICATION SERVICE PROVIDER MARKET

Total Addressable Market (MEUR)



- Shift from appliance based solutions to virtualized solutions is happening **faster** and to **more industries** than previously anticipated

*“Verizon says virtualization will enable it to reduce costs by \$10B”*

*“80% of all investments into mobile core networks by 2020 will be virtualized (SNS Research)”*

- Market-leading virtualized security solution for communication service providers
- Disruptive business model where revenues scale with increased mobile data usage and virtualization adoption

**+95%**

Gross  
Margin

**250%**

Higher  
Price/Performance  
vs Competition



# COMMUNICATION SERVICE PROVIDER MARKET



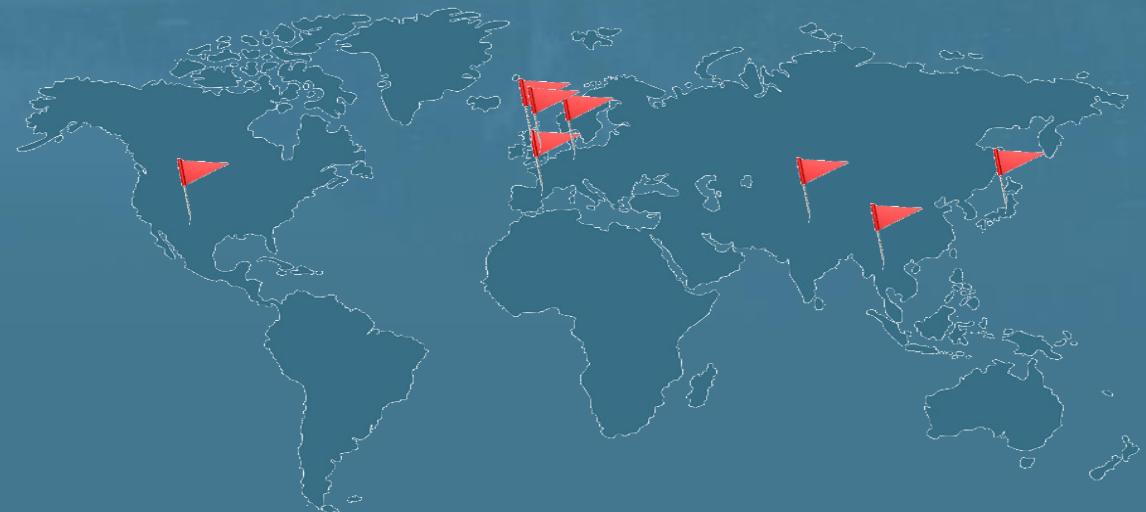
**CLAVISTER**

- Strong partnership with Nokia, leveraging their global sales force and customer base
- Commercialized and marketed as Nokia NetGuard Virtual Firewall

**NOKIA**



- Security always included in all telecom cloud infrastructure tenders
- 8 mobile operator customer wins since start of 2017



# COMMUNICATION SERVICE PROVIDER MARKET

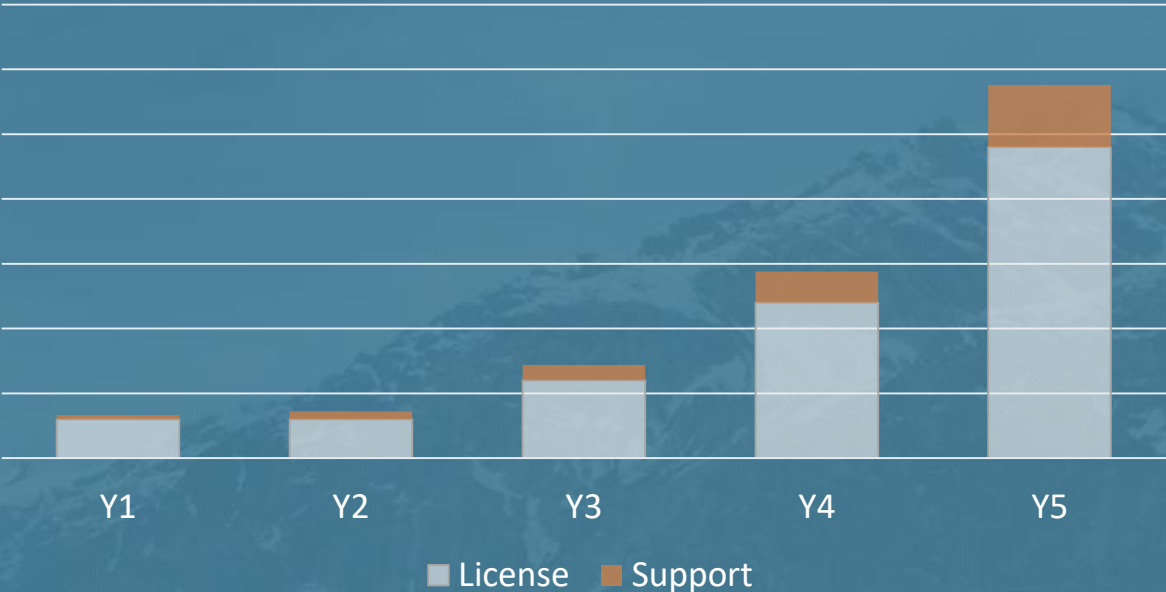
## Market Goal

- Maintain market leadership in virtualized security
- Scale business with existing partners
- Replicate the business model to new partners and new verticals

## Investments Into

- Sales and Marketing (Headcount)
- Product Development (Portfolio Depth & Breadth)
- Research & Innovation

Typical Deal Projection

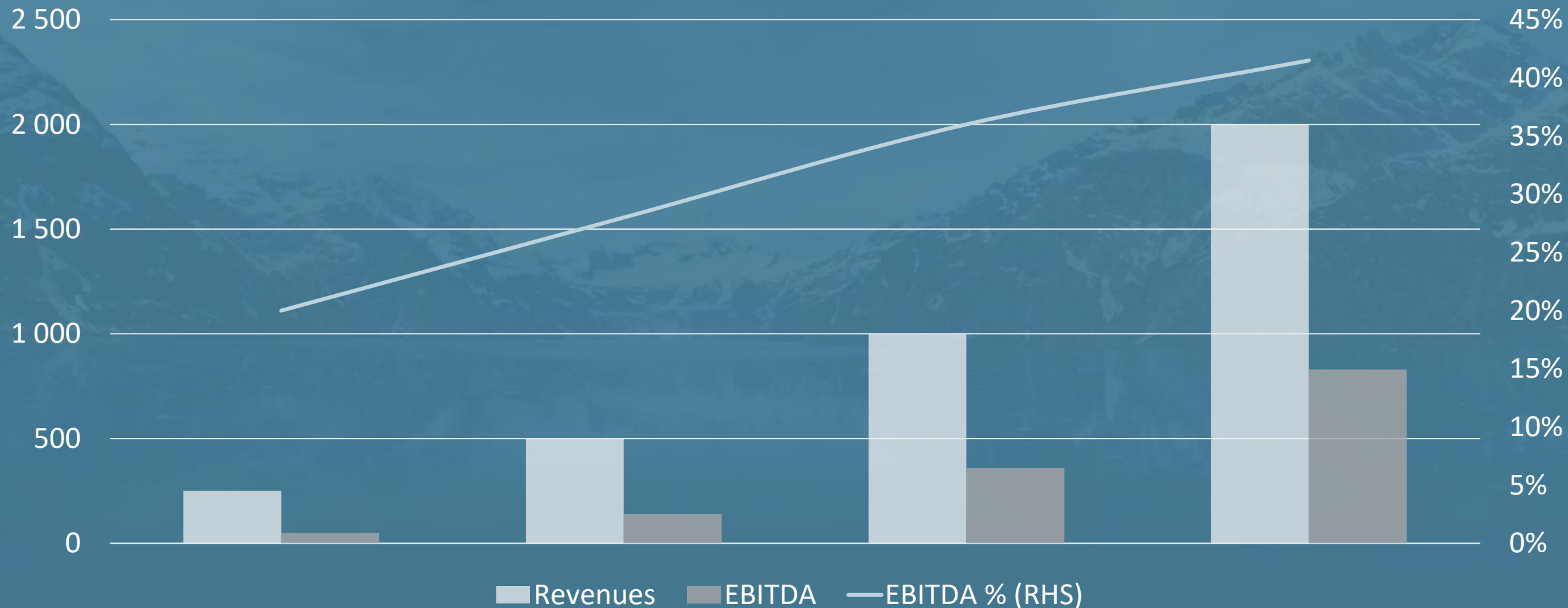


**+800**  
Mobile Operators  
World-wide

**10m**  
Subscriptions /  
Operator (in Average)



## Business Model Elasticity EBITDA Projection at Different Revenue Levels (MSEK)



*Note: Above projection is not to be read as a Clavister forecast, but based on peer OPEX benchmarking.*

# Funding.

- Up to **SEK 250m** debt financing facility (tentative) for a fully funded business plan.
- Provides long-term financial backing for Clavister to execute and capitalize on the business opportunity.
- Investments will be made into:
  - **Sales and Marketing** – Sales headcount to drive growth
  - **Product Development** – Broadening and deepening the product portfolio
  - **Innovation** – Staying at the technology forefront
- Funding partners:



**Tagehus Holding AB**, ([www.tagehus.se](http://www.tagehus.se))

Tagehus Holding AB is a family office of the Ljungberg & Holmström family.



**EIB - the European Investment Bank**, ([www.eib.org](http://www.eib.org))

The world's largest multilateral borrower and lender, with +€240b in base capital.

# Funding Structure (1/2).

- Up to SEK 250m in financing (debt) facilities
- Tagehus Holding AB at SEK 50m
  - Loan with three year tenor, dispersed in 2 tranches; Q3 2017 and Q4 2017
  - Interest rate 3.5% (decreased from 7% upon first tranche from the EIB)
  - 2,500,000 basic warrants, at subscription price SEK 20
  - Up to 562,608 warrants for interest payment, at subscription price SEK 20  
*(Exact number of warrants dependant on timing for first tranche from the EIB)*
- The European Investment Bank (EIB) with EUR 20m
  - Loan with five year tenor from each drawdown; dispersed in 3 tranches; prel. Q1 2018, Q4 2018, Q3 2019
  - Single-digit interest rate, significant portion as PIK
  - Conditional upon approval by the board of the EIB, signing of final agreement and issue of warrants
  - 1,800,000 warrants as interest reduction, at quota value



# Funding Structure (2/2).

- 'Base case' Potential Dilution: 16% (approx. 4.6m warrants)
  - whereof 1.8m warrants issued to the EIB, and
  - whereof approx. 300,000 warrants issued to Tagehus as a substitute for interest cash payment
- Anti-dilution Provisions
  - 1.25m warrants issued to Tagehus at quota value, for compensation only if new share issue below SEK 20 / share, as if the issue was made at SEK 20 / share
  - 6% anti-dilution protection for the EIB, during the tenor of the loan. Mandate for 1.8m warrants to the EIB covers anti-dilution of up to 30m shares (vs today's 23.56m shares)
- The loans carry highly competitive market-based interest and other commercial terms.
- Conclusion
  - 16% dilution (in base case) vs funding of SEK 250m compared to current market cap of approx. SEK 450m.

# Establishment of Committees to the Board.

- Remuneration Committee, Audit Committee, Compliance Committee
- Proposal of remuneration related to participation in committees:
  - Chairman: SEK 75t per mandate period
  - Member: SEK 50t per mandate period



## **Bo Askvik**

- Proposed new Director of the Board at Clavister from December 11, 2017
- Currently CFO at Nynas AB
- Previously with Nordstjernan AB, Östgöta Enskilda Bank, Neste Corporation, Gränges AB, Intrum Justitia, TeliaSonera etc



# Q & A