

## Interim report, January – June 2018

### January – June 2018

- Net sales increased by 36 percent to SEK 1,856.0 million (1,367.4). Organic growth in local currency was 17 percent.
- EBITDA amounted to SEK 133.5 million (120.1).
- EBITDA excluding items affecting comparability<sup>1</sup> (adjusted EBITDA) amounted to SEK 162.3 million (154.9), corresponding to SEK 3.05 (3.08) per share.
- Operational foreign exchange differences affected operating profit for the period by SEK 0.6 million (3.0).
- EBIT amounted to SEK 60.1 million (59.3).
- Profit after tax for the period amounted to SEK 38.3 million (32.2).
- Basic and diluted earnings per share amounted to SEK 0.71 (0.63).

### Second quarter, April – June 2018

- Net sales increased by 34 percent to SEK 997.4 million (745.2). Organic growth in local currency was 18 percent.
- EBITDA amounted to SEK 80.3 million (49.3).
- EBITDA excluding items affecting comparability<sup>1</sup> (adjusted EBITDA) amounted to SEK 97.4 million (74.0), corresponding to SEK 1.84 (1.45) per share.
- Operational foreign exchange differences affected operating profit for the period by SEK 2.6 million (3.9).
- EBIT amounted to SEK 39.8 million (18.3).
- Profit after tax for the quarter amounted to SEK 29.0 million (-1.2).
- Basic and diluted earnings per share amounted to SEK 0.54 (-0.03).

### Significant events during the quarter

- On 4 April, CLX acquired 100 percent of the share capital in Vehicle Agency LLC, based in Seattle, Washington. The company specializes in technology and solutions in personalized message-based video and rich media communications solutions. The initial purchase consideration was USD 8 million on a cash- and debt-free basis. In addition, an earnout of USD 4 million was paid in July. The acquisition was financed with cash reserves. Additional earnouts, capped at USD 18 million, may be paid in the future.
- Oscar Werner was appointed President and CEO of CLX Communications AB on 19 April. Mr. Werner will take over on 1 September 2018. Johan Hedberg will take on a new role as head of business development, with focus on North America.
- On 18 May, the annual general meeting resolved to introduce a long-term incentive program for senior executives and key employees within CLX, by issuing a maximum of 1,500,000 warrants with exercise after 3/4/5 years. If fully exercised, dilution will be approximately 2.8 percent.

1) See the table on page 3 for a specification of items affecting comparability.

### Invitation to report presentation by phone or online

The report will be presented in a phone conference at 09:00 CET on 20 July.

To participate in the presentation by phone, please call any of the following numbers and state the code 7484782:

SE: +46 8 5065 3942

UK: +44 33 0336 9411

US: +1 323 794 2094

Register here to watch the presentation via Webcast: <https://edge.media-server.com/m6/p/um75oogj>.

#### About CLX Communications

CLX Communications (CLX) is a leading global vendor of cloud communications services and solutions for enterprises and mobile operators. Mobile communications services from CLX make it possible for enterprises to communicate globally with their customers and connected devices - IoT (Internet of Things) swiftly, securely and cost-effectively. CLX Communications' solutions enable business critical communication worldwide via mobile messaging services (SMS), voice services, and mobile IoT connectivity services. CLX has grown profitably since the company was founded. The Group is headquartered in Stockholm, Sweden, and has a presence in 20+ additional countries. The shares of CLX Communications are listed on Nasdaq Stockholm: CLX.

## Message from the CEO

### Higher growth and improved earnings



CLX Communications delivered strong performance during the quarter with sales 34 percent above the corresponding quarter last year. Gross profit rose 30 percent and adjusted EBITDA was 32 percent higher.

Consolidated organic sales growth, adjusted for foreign exchange fluctuations, was 18 percent. Organic growth was driven mainly by increased activity in North America, where yet another major American tech company has now begun to use our cloud communications platform for global enterprise messaging.

Our US sales pipeline is strong heading into upcoming quarters and our customer offering is highly competitive. This was confirmed during the quarter by ROCCO Research, which named CLX the best A2P Messaging provider in North America.

In addition to the organic growth, the acquisitions of Unwire and Vehicle are also contributing to higher sales and earnings for the CLX Group. We are already seeing the first signs of revenue synergies as we now introduce Vehicle's message-based personalized video services to operators in Europe and our enterprise customers in the US. The acquisition of Unwire has strengthened our position in Scandinavia and has fully contributed to the business this quarter.

The acquisition of Mblox in 2016 marked the starting point for a comprehensive technology project to improve the scalability and transparency of our technology platform. Virtually all customers have now been migrated to the new Nova platform. During the third quarter of the year, we will gradually shift the focus of our organization from internal integration to technology development and marketing activities to drive our organic growth. With the Nova platform, we are also fully addressing the many issues related to data privacy and increased regulatory complexity that are becoming increasingly important for our customers.

We have reached the final phase in the integration of the Dialogue acquisition and closed the Sheffield office at the end of the second quarter. We now see an opportunity to reinvest these savings in customer-related development projects and to reinforce our overall offering in the market.

The Operator Division is showing better profitability than in the preceding quarter but is not achieving our long-term ambition. We expect a somewhat stronger second half of 2018 and are taking actions to reach our EBITDA margin target of 15 percent on an annual basis in 2019.

Oscar Werner will take over as the new President and CEO of CLX Communications AB on the 1<sup>st</sup> of September. He has a long history and wide-ranging experience in the communications industry and is the ideal individual to take CLX to the next level.

I would like to take this opportunity to thank customers, employees and shareholders for what has been a thoroughly delightful and rewarding time. We are working in a dynamic, high-growth market and our journey has only just begun.

Stockholm, 20 July 2018

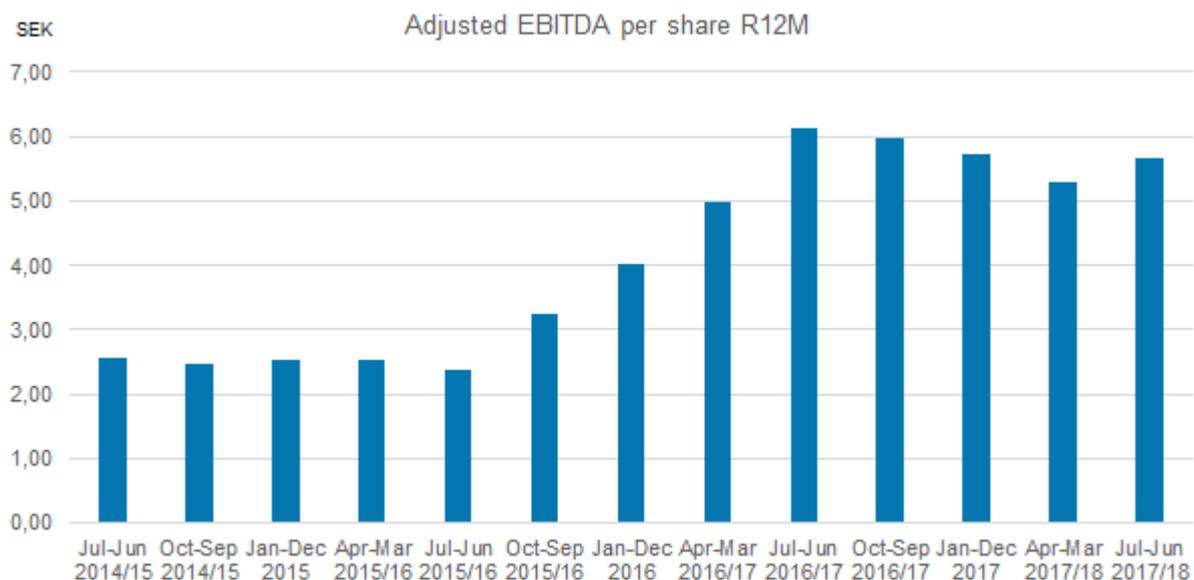
Johan Hedberg  
*President and CEO*

## CLX Group overview

For a list and definitions of financial measurements defined under IFRS and those not defined under IFRS, as well as operational measurements, please refer to page 25.

CLX Group, SEK million	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
Net sales	997.4	745.2	1,856.0	1,367.4	3,058.1	3,546.7
Gross profit	248.6	190.7	448.6	382.0	780.0	846.6
Gross margin	24.9%	25.6%	24.2%	27.9%	25.5%	23.9%
Operating profit, EBITDA	80.3	49.3	133.5	120.1	263.2	276.5
EBITDA margin	8.1%	6.6%	7.2%	8.8%	8.6%	7.8%
Adjusted EBITDA	97.4	74.0	162.3	154.9	296.7	304.1
Adjusted EBITDA margin	9.8%	9.9%	8.7%	11.3%	9.7%	8.6%
Adjusted EBITDA / gross profit	39.2%	38.8%	36.2%	40.5%	38.0%	35.9%
Operating profit, EBIT	39.8	18.3	60.1	59.3	124.9	125.7
EBIT margin	4.0%	2.5%	3.2%	4.3%	4.1%	3.5%
Adjusted EBIT	56.9	42.9	89.0	94.1	170.3	165.1
Adjusted EBIT margin	5.7%	5.8%	4.8%	6.9%	5.6%	4.7%
Profit for the period	29.0	-1.2	38.3	32.2	134.4	140.5
Net margin	2.9%	-0.2%	2.1%	2.4%	4.4%	4.0%
Cash flow from operating activities	209.9	76.2	258.7	82.6	51.3	227.4
Equity ratio	44.1%	40.3%	44.1%	40.3%	49.3%	44.1%
Diluted earnings per share, SEK	0.54	-0.03	0.71	0.63	2.58	2.62
Average number of employees	380	345	369	333	340	365

Items affecting comparability, SEK m	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
Acquisition costs	-4.3	-5.7	-8.9	-8.8	-9.3	-9.3
Restructuring costs	-	-15.1	-	-15.1	-15.0	0.0
Integration costs	-12.8	-3.8	-20.0	-10.8	-24.2	-33.4
Proceeds from sale of PSMS business	-	-	-	-	3.3	3.3
Write-down earnout Xura	-	-	-	-	11.8	11.8
Impairment goodwill Xura	-	-	-	-	-11.9	-11.9
<b>Total items affecting comparability</b>	<b>-17.0</b>	<b>-24.6</b>	<b>-28.9</b>	<b>-34.8</b>	<b>-45.3</b>	<b>-39.4</b>



## Operations

### The market

Demand for CLX's services remains strong. Enterprises are increasingly choosing cloud communications solutions and the range of applications of our technology is widening.

Our A2P Messaging offering makes it possible for enterprises to reach consumers with automated, business-critical messages. Generally speaking, this market is highly competitive, but CLX has purposefully built up a leading market position based on quality, cost-effectiveness and economies of scale. As a result, CLX is in prime position to win market shares organically and to continue consolidating the market through acquisitions.

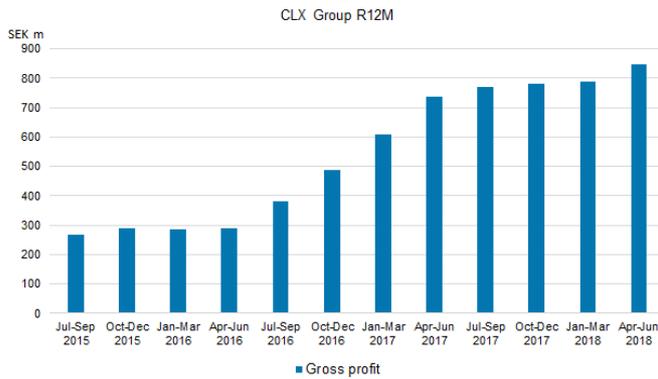
CLX is focusing on geographies and market segments where conditions for persistently good profitability are favorable. We are particularly competitive in international traffic and often win business where enterprises send messages to recipients in numerous countries. We are directly linked to more mobile network operators than our competitors and can guarantee safe and reliable delivery with no unnecessary middlemen. Through our Operator Division, we also help mobile network operators control their traffic flows and protect their networks against unauthorized use.

With the acquisition of Vehicle, we have further reinforced our offering within Messaging with advanced and personalized video services. Providing information to new customers is an excellent application where, for example, we help leading American mobile network operators send personalized video greetings. Every new mobile customer receives a unique, personalized video containing information about their contracts and help getting started. We see huge future potential in the segment and strong demand from our customers.

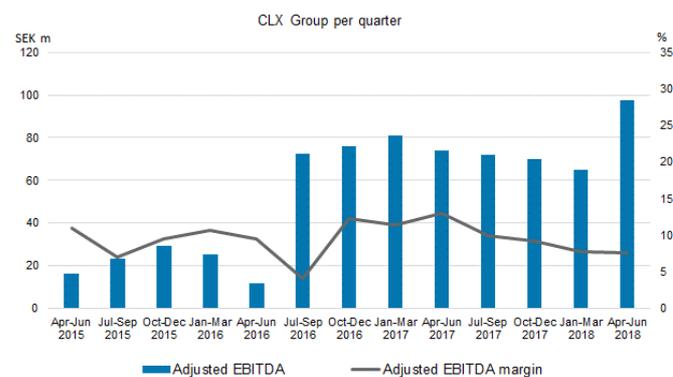
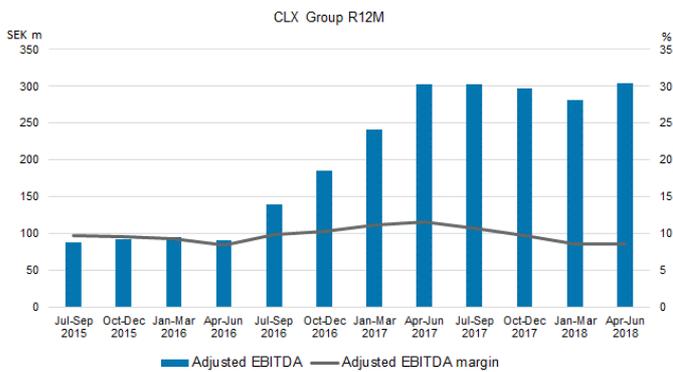
A comprehensive development project is also ongoing in Rich Communication Services (RCS), which we have assessed as being set for take-off in 2018. RCS provides a richer user experience and allows our enterprise customers to send high-resolution images and video. The technology encourages interactive customer dialogue with intuitive menu selections where users can, for example, check in or book a new appointment with a simple tap of a button.

In addition to Messaging, efforts are ongoing with our cloud services for real-time voice and video. Here, our offering includes temporary, anonymized numbers for the taxi industry so that contracted drivers can easily call customers without revealing their private mobile phone numbers. We are seeing higher demand for integrated solutions and are developing new services for the Internet of Things (IoT).

## Gross profit



## Adjusted EBITDA and adjusted EBITDA margin



## April – June 2018

### Net sales

Consolidated net sales grew in the quarter by 34 percent to SEK 997.4 million (745.2). Amounts in parentheses refer to the corresponding quarter in the preceding year. Organic growth was 23 percent. Organic growth was positively affected during the quarter by the depreciation of the Swedish krona (SEK), primarily against EUR and GBP. The Group has significant revenues in foreign currencies and if exchange rates had been the same during the quarter as in the same quarter in 2017, revenues would have been about SEK 39.1 million lower and organic growth would have been 18 percent.

The number of transactions in comparable units increased by about 14 percent during the quarter compared to the same quarter in 2017. The higher transaction volume is the result of the majority of our existing customers steadily growing their business with us, while we have continued to gain new customers.

The migration of Dialogue's traffic to the Group's new transaction system, Nova, is complete. As regards Mblox's traffic, only a few, isolated customers have not yet been migrated. Nova is going to enable even higher cost-effectiveness and quality in our services, as well as faster, simpler integration of future acquisitions. In addition to migrating the last customers, the only thing left to do in the migration project is to ensure that all system components are working as intended and can manage expected future traffic volumes. This will take place during the remainder of 2018. External resources will thereafter be dismantled, while internal resources will be refocused on development of new functionality.

The sharper focus on new sales has begun to have impact on organic growth. We have also initiated a project to strengthen the sales and marketing organization in Europe, further improve our market segmentation, and increase the focus on large enterprise customers.

### Gross profit

During the quarter, gross profit amounted to SEK 248.6 million (190.7) and the gross margin amounted to 24.9 percent (25.6). The consolidated gross margin is significantly controlled by the Enterprise Division's gross margin. The key determining factor is in which markets traffic terminates, i.e., where the recipient's operator is domiciled. The volume mix between markets changes continuously and the gross margin fluctuates accordingly. These fluctuations are beyond CLX's control and our focus is therefore on gross profit per transaction, not gross margin, as the guiding performance measurement. CLX has for a long time had a strong position in several European markets, such as the United Kingdom, Germany and France, where the gross margin is lower than in markets such as the US. Higher onward billing in relation to a large American operator, beginning in late summer 2017, also led to adjustment of the gross margin level in the group's American operations. Onward billing in the US is going to further increase starting in the third quarter when AT&T also implements traffic tariffs, the largest major US operator to do so.

The Danish company Unwire and the recently acquired American company Vehicle are having positive effect on consolidated gross margin.

Gross profit was also affected by foreign exchange rates because consolidated revenues are not fully matched by costs in corresponding currencies.

### Operating profit

EBITDA amounted to SEK 80.3 million (49.3). EBIT amounted to SEK 39.8 million (18.3).

Consolidated operating profit was reduced during the quarter by poorer profitability in the Operator Division as well as costs in the Enterprise Division arising from the completion of the migration of traffic from acquired companies. The migration project has been in an intensive final phase, which required further allocations of resources to development and support. These costs will decline in the third quarter until they are completely phased out in the fourth quarter. Thereafter, the internal qualified resources

that have been part of the Nova and migration projects will be deployed to develop new products and services for the Enterprise Division. Streamlining of certain support functions, made possible by centralization of traffic to Nova, has been ongoing in parallel with the migration process. Remaining cost savings from these efficiency improvements amount to approximately SEK 5 million per year.

Investments in the Operator Division and Sinch to widen the product offerings of these operations in IoT, video and voice-based communications are proceeding as planned.

There will be persistent focus over the next few quarters on picking up the pace of organic growth and continuing to realize the profitability and growth potential brought by acquisitions. These acquisitions have put CLX in a much stronger negotiating position vis-à-vis both customers and operators. They also created the conditions for increased economies of scale and lower operating costs per transaction.

Acquisition and integration costs reduced earnings for the quarter by SEK 17.0 million (24.6). Adjusted for these items, EBITDA amounted to SEK 97.4 million (74.0) and EBIT to SEK 56.9 million (42.9). Acquisition costs are attributable primarily to external advisory services in relation to the acquisitions of Unwire and Vehicle. Integration costs refer primarily to the costs of developing Nova, as well as other costs related to the migration of traffic to Nova, such as temporarily higher costs for customer support in connection with centralization of the support function.

Adjusted EBITDA per share was SEK 1.82 (1.45) for the quarter and SEK 5.67 (6.12) for the rolling twelve months. At present, the development of adjusted EBITDA per share is below the Group's financial target, which is annual growth of 20 percent. The migration of traffic to Nova entails both additional cost synergies and sharper focus on new sales. Combined with the acquisitions of Unwire and Vehicle, this is creating the conditions for stronger performance in adjusted EBITDA per share. Adjusted EBITDA divided by gross profit was 39.2 percent (38.8) for the quarter.

Foreign exchange fluctuations affected operating profit for the quarter by SEK 2.6 million (3.9).

## January – June 2018

### Net sales

Consolidated net sales grew in the period by 36 percent to SEK 1,856.0 million (1,367.4). Amounts in parentheses refer to the corresponding period in the preceding year. Organic growth was 20 percent. Adjusted for currency effects, organic growth was 17 percent.

### Gross profit

During the period, gross profit amounted to SEK 448.6 million (382.0) and the gross margin was 24.2 percent (27.9).

### Operating profit

EBITDA amounted to SEK 133.5 million (120.1). EBIT amounted to SEK 60.1 million (59.3). Acquisition and integration costs reduced earnings for the period by SEK 28.9 million (34.8). Adjusted for these items, EBITDA amounted to SEK 162.3 million (154.9) and EBIT to SEK 89.0 million (94.1). Foreign exchange fluctuations affected operating profit for the period by SEK 0.6 million (3.0).

### Other income and expense items

Net financial expense was SEK -3.5 million (-17.3), with interest costs amounting to SEK -10.4 million (-9.3) and foreign exchange differences to SEK 1.5 million (-7.5). The foreign exchange differences are attributable primarily to the revaluation of financial assets and liabilities denominated in other currencies. The Group's effective tax rate was 32.3 percent (23.4). See Note 4 for a reconciliation of tax on profit or loss for the period. Net profit for the period amounted to SEK 38.3 million (32.2).

### Investments

Net investments in intangible assets and property, plant and equipment amounted to SEK 14.9 million (11.0). Investments relate primarily to capitalized development expenditure of SEK 11.0 million (9.1).

CLX has increased investments in areas including the development of new services in the strategically important field of IoT. The investments consist both of development work and of hardware and software used for the operation of customer systems within the framework of the company's Managed Service offering. The company is also investing in developing solutions for RCS, Rich Communication Services.

CLX acquired 100 percent of the share capital in Unwire Communication ApS on 27 March, which was included in the consolidated accounts from that date. The purchase consideration was DKK 148 million (SEK 205.3 million) on a cash- and debt-free basis. Unwire is based in Copenhagen, Denmark and has about 20 employees. Unwire had sales in 2017 of approximately DKK 80 million (SEK 103.6 million) and gross profit of about DKK 45 million (SEK 57.9 million). EBITDA was about DKK 30 million (SEK 39.4 million), with an EBITDA margin of 38.0 percent. The acquisition was financed with expanded credit facilities of DKK 100 million (SEK 136.8 million) and cash reserves.

On 4 April, CLX acquired 100 percent of the share capital in Vehicle Agency LLC, which has about 10 employees and is based in Seattle, Washington. The company specializes in technology and solutions in personalized video and rich media communications solutions. Vehicle had sales in 2017 of approximately USD 5.9 million (SEK 50.5 million) and gross profit of about USD 3.4 million (SEK 29.4 million). EBITDA was about USD 0.9 million (SEK 7.9 million), with an EBITDA margin of 15.6 percent. The initial purchase consideration was USD 8 million on a cash- and debt-free basis. In addition, an earnout of USD 4 million was paid in July. The acquisition was financed with cash reserves. The purchase agreement provides for additional earnouts based on sales and EBITDA performance of a maximum of USD 18 million. The anticipated outcome discounted to present value amounts to USD 14.8 million and has been recognized as a liability.

See Note 5 for further information about acquisitions.

### **Cash flow, liquidity and financial position**

Cash flow from operating activities amounted to SEK 258.7 million (82.6). Consolidated cash and cash equivalents at 30 June 2018 amounted to SEK 177.0 million (164.6), as well as an unutilized credit facility of SEK 100 million (100).

Equity at 30 June 2018 amounted to SEK 1,572.7 million (1,494.6), corresponding to an equity ratio of 44.1 percent (49.3). Equity per share amounted to SEK 29.32 (27.86).

### **Employees**

The average number of employees (full-time equivalents) in the Group amounted to 369 (333), of whom 21 percent (20) women. CLX continues to recruit new employees, both in Sweden and internationally. Including consultants, the Group employed an average of approximately 430 persons during the period.

## Enterprise Division

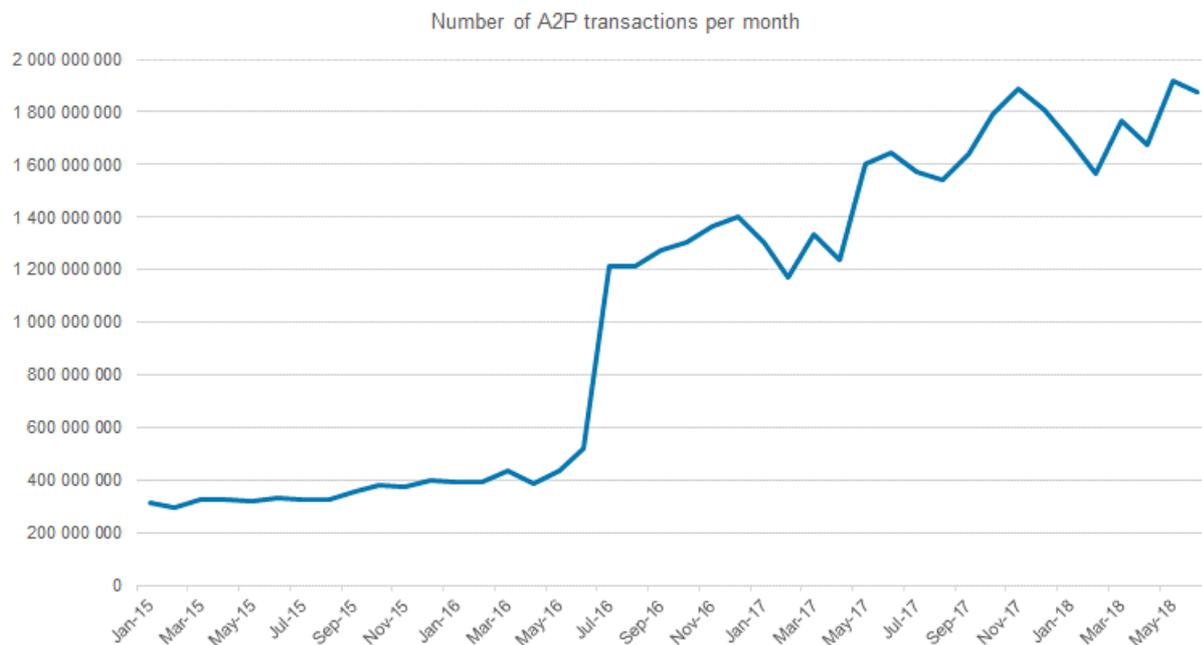
The Enterprise Division provides cloud-based communication solutions to the enterprise sector for effective communication with customers, employees and the Internet of Things (IoT).

Enterprise Division, SEK million	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
Net sales	935.2	696.7	1,747.7	1,263.0	2,847.1	3,331.7
Gross profit	198.8	149.8	360.3	289.4	599.8	670.7
Gross margin	21.3%	21.5%	20.6%	22.9%	21.1%	19.5%
Operating profit, EBITDA	106.1	74.7	177.9	146.1	287.8	319.7
EBITDA / Gross profit	53.4%	49.9%	49.4%	50.5%	48.0%	47.7%
EBITDA margin	11.3%	10.7%	10.2%	11.6%	10.1%	8.3%

The Division's operations in A2P messaging continued developing well. As the ongoing migration of traffic to Nova from the Mblox and Dialogue platforms is largely complete, focus is on continued organic growth of the combined customer base.

### Net sales

During the quarter, net sales increased by SEK 238.5 million compared to the corresponding quarter in 2017 to SEK 935.2 million (696.7), an increase of 34 percent. Organic growth was 24 percent. Adjusted for currency effects, organic growth was 19 percent. The number of sent messages in comparable units increased by about 14 percent during the quarter compared to the same quarter in the preceding calendar year. The higher transaction volume is the result of the majority of our existing customers steadily growing their business with us, while we have continued to gain new customers.

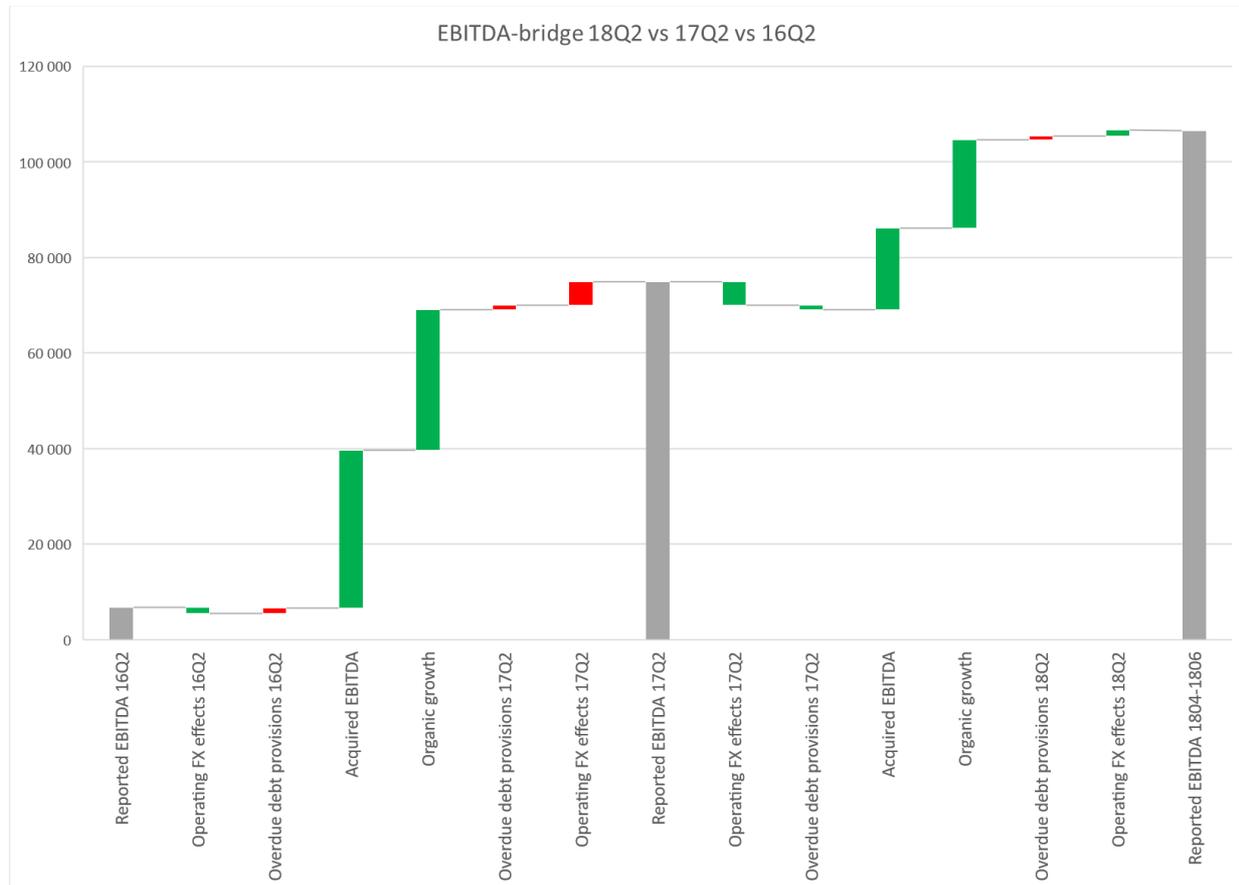


### Profit

Gross profit increased during the quarter to SEK 198.8 million (149.8), an increase of 33 percent year-on-year. EBITDA amounted to SEK 106.1 million (74.7). Foreign exchange fluctuations impacted the division's operating profit during the quarter by SEK 0.8 million (4.9).

The gross margin improved during the quarter compared to the preceding quarter. The price situation in the UK has improved somewhat and traffic from certain large American customers has also shown good profitability.

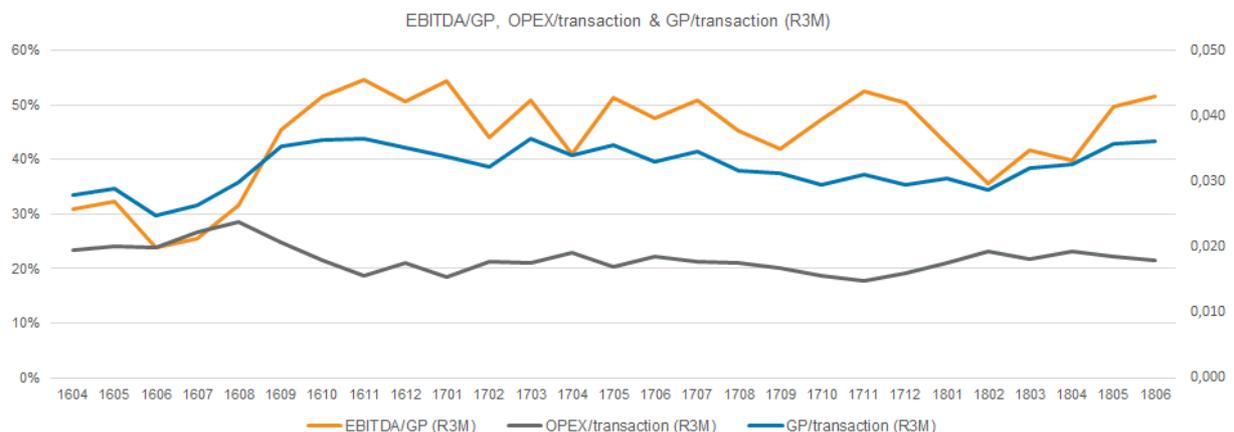
As of mid-year 2018, AT&T will be the last major US operator to implement traffic tariffs, which will increase our onward billing. The effect will be higher sales and unchanged gross profit, but a lower gross margin. The estimated effect on the gross margin for the Enterprise Division will be about one percentage point, starting in the third quarter of the year.



Acquired EBITDA in 2017 includes Mblox, Xura, and Dialogue. Acquired EBITDA 2018 includes Dialogue and Unwire.

The majority of operational integration of the companies acquired in 2016 and 2017 is complete and the merged businesses' underlying operational costs per sent message are at a very competitive level. It is the express ambition of CLX to be the market provider with the lowest operating cost per sent message.

EBITDA in relation to gross profit is a central performance measurement for the Division. Operating costs rose slightly during the quarter because the completion of the customer migration requires certain additional inputs, but this was offset by increasing traffic volumes, and the trend for this key figure remains stable.



## Other

Sentinel, Dialogue's firewall software for mobile network operators, is still sold mainly as part of a wider A2P Messaging offering to operators. Accordingly, it will be included in the Enterprise Division's reporting until further notice. Going forward, the intention is to begin marketing and selling Sentinel as part of the Operator Division's offering.

## Operator Division

The Operator Division develops software solutions for mobile operators and other service providers such as mobile virtual network operators (MVNOs). The Division delivers software solutions as both products and services to give operators the capacity to efficiently manage their service offerings in value added services (VAS) and business support systems, as well as to protect their networks and revenues.

Operator Division, SEK million	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
Net sales	33.6	40.7	66.7	86.3	168.7	149.2
Gross profit	30.8	34.0	60.5	76.8	144.0	127.7
Gross margin	91.7%	83.6%	90.6%	89.0%	85.4%	85.6%
Operating profit, EBITDA	3.5	5.5	4.9	24.1	41.9	22.7
EBITDA margin	10.4%	13.5%	7.3%	27.9%	24.8%	15.2%

During the winter, the Operator Division saw lower than expected conversion of outstanding quotations to orders and revenue, which is still having adverse impact on sales and earnings. The sales pipeline remains strong and there is tremendous interest in the Division's products and services, but several orders are still in abeyance. We expect the Division's performance to gradually improve during the remainder of this year and to return to a more normal profitability and growth rate thereafter.

### Net sales

Net sales in the Operator Division decreased during the quarter by SEK 7.1 million to SEK 33.6 million (40.7). The decrease is mainly attributable to that there were no significant capacity expansion projects during the year and to the aforementioned lower conversion of quotations and orders to revenues. New capacity expansion projects are begun as customers grow and acquire additional subscribers. CLX cannot, however, predict in advance to any significant extent when new projects will be on the table and the Operator Division's revenues may continue to fluctuate to a relatively great extent from one quarter to the next.

The CLX Managed Service offering continued to attract great interest from existing and potential customers. This applies mainly to software for Fraud/Security and Messaging. Revenues from this business are of a recurring nature and CLX has set a strategic objective to increase the share of recurring revenues in the Operator Division. We are confident that this offering will continue to develop in a positive direction.

### Profit

Gross profit decreased during the quarter by SEK 3.2 million to SEK 30.8 million (34.0). EBITDA decreased by SEK 2.0 million to SEK 3.5 million (5.5).

Foreign exchange fluctuations impacted the division's operating profit during the quarter by SEK 1.9 million (-1.1).

### Other

Focus in the Operator Division is currently on converting quotations and orders to revenue and increasing sales to new customers. In parallel, the Division is continuing to invest in its Platform as a Service (PaaS) offering in order to address the demand among existing and new types of customer groups that want to launch or streamline their mobile communication services in, for example, voice communications, messaging and data/IoT. The Enterprise Division's IoT service is also based on this PaaS solution.

## Sinch

*Sinch is an internationally leading developer of cloud-based voice and video communications solutions.*

	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
<b>Sinch, SEK million</b>						
Net sales	17.8	10.8	32.7	22.3	50.2	60.7
Gross profit	10.1	8.4	18.9	17.4	36.3	37.8
Gross margin	56.6%	77.9%	57.7%	78.1%	72.3%	62.3%
Operating profit, EBITDA	-5.1	-4.4	-9.6	-9.2	-19.2	-19.7
EBITDA margin	-28.5%	-40.9%	-29.3%	-41.1%	-38.3%	-32.4%

The development of the Sinch product portfolio is proceeding as planned, with extended functionality and geographical reach. There is also significant focus on increased growth through cross-selling between Sinch and other CLX companies. The work to coordinate product development, marketing and sales between Sinch and other CLX companies is still in progress.

### Net sales

Sinch increased net sales during the quarter by SEK 7.0 million to SEK 17.8 million (10.8). Sales development is ongoing as planned, with significant focus on deploying customers gained in new geographies as well as bringing in new customers and new markets in relation to existing customers.

### Profit

Gross profit for the quarter amounted to SEK 10.1 million (8.4). EBITDA amounted to SEK -5.1 million (-4.4). EBITDA was negatively impacted by continuing substantial investments in greater functionality, aimed in part at ensuring that Sinch's products are aligned to the needs of various customers and customer categories.

Foreign exchange fluctuations impacted Sinch's operating profit during the quarter by SEK -0.1 million (0.0).

## Vehicle

Vehicle is a mobile video and rich media technology company that delivers personalized and dynamic video via MMS and digital advertising.

Vehicle, SEK million	Apr - Jun 2018*	Apr - Jun 2017	Jan - Jun 2018*	Jan - Jun 2017	Jan - Dec 2017	R12M*
Net sales	12.5	-	12.5	-	-	12.5
Gross profit	8.7	-	8.7	-	-	8.7
Gross margin	69.4%	-	69.4%	-	-	69.4%
Operating profit, EBITDA	2.2	-	2.2	-	-	2.2
EBITDA margin	17.8%	-	17.8%	-	-	17.8%

\* Vehicle was acquired on 4 April 2018 and is included in the consolidated accounts from that date.

The main focus during the quarter was on cross-selling of Vehicle's products and services to CLX's customer base in the US and Europe.

### Net sales

Vehicle delivered net sales of SEK 12.5 million during the quarter. Sales are developing well and Vehicle's offering is attracting keen interest among both American enterprise customers and European operators.

### Profit

Gross profit for the quarter was SEK 8.7 million. EBITDA was SEK 2.2 million.

Foreign exchange fluctuations affected Vehicle's operating profit during the quarter by SEK 0.0 million.

## Quarterly summary

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
<b>CLX Group, SEK million</b>								
Net sales	590.2	669.6	622.2	745.2	781.4	909.3	858.6	997.4
Gross profit	164.9	189.4	191.3	190.7	198.1	199.8	200.0	248.6
Gross margin	27.9%	28.3%	30.7%	25.6%	25.4%	22.0%	23.3%	24.9%
Operating profit, EBITDA	28.1	68.1	70.8	49.3	67.0	76.0	53.2	80.3
EBITDA margin	4.8%	10.2%	11.4%	6.6%	8.6%	8.4%	6.2%	8.1%

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
<b>Enterprise Division, SEK million</b>								
Net sales	552.8	619.1	566.4	696.7	726.2	857.9	812.4	935.2
Gross profit	130.8	142.2	139.6	149.8	148.0	162.4	161.5	198.8
Gross margin	23.7%	23.0%	24.7%	21.5%	20.4%	18.9%	19.9%	21.3%
Operating profit, EBITDA	59.8	69.2	71.4	74.7	62.7	79.1	71.8	106.1
EBITDA / Gross profit	45.7%	48.7%	51.1%	49.9%	42.4%	48.7%	44.4%	53.4%
EBITDA margin	10.8%	11.2%	12.6%	10.7%	8.6%	9.2%	8.8%	11.3%

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
<b>Operator Division, SEK million</b>								
Net sales	37.8	50.0	45.6	40.7	44.0	38.3	33.2	33.6
Gross profit	34.1	46.9	42.7	34.0	39.1	28.0	29.7	30.8
Gross margin	90.3%	93.7%	93.8%	83.6%	88.9%	73.1%	89.5%	91.7%
Operating profit, EBITDA	12.8	14.8	18.6	5.5	17.3	0.5	1.4	3.5
EBITDA margin	34.0%	29.6%	40.8%	13.5%	39.4%	1.2%	4.2%	10.4%

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
<b>Sinch, SEK million</b>								
Net sales	-	1.4	11.4	10.8	12.7	15.3	15.0	17.8
Gross profit	-	0.9	8.9	8.4	9.5	9.5	8.8	10.1
Gross margin	-	62.8%	78.2%	77.9%	74.6%	61.8%	59.0%	56.6%
Operating profit, EBITDA	-	0.6	-4.7	-4.4	-3.7	-6.4	-4.5	-5.1
EBITDA margin	-	43.3%	-41.3%	-40.9%	-29.0%	-41.9%	-30.4%	-28.5%

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
<b>Vehicle, SEK million</b>								
Net sales	-	-	-	-	-	-	-	12.5
Gross profit	-	-	-	-	-	-	-	8.7
Gross margin	-	-	-	-	-	-	-	69.4%
Operating profit, EBITDA	-	-	-	-	-	-	-	2.2
EBITDA margin	-	-	-	-	-	-	-	17.8%

### Items affecting comparability

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
<b>CLX Group, SEK million</b>								
Acquisition costs	-2.9	-1.2	-3.1	-5.7	-0.3	-0.1	-4.6	-4.3
Restructuring costs	-35.2	-	-	-15.1	-	-	-	-
Integration costs	-5.9	-6.7	-7.0	-3.8	-4.5	-8.9	-7.2	-12.8
Proceeds from sale of PSMS business	-	-	-	-	0.1	3.2	-	-
Write-down earnout Xura	-	-	-	-	-	11.8	-	-
Impairment goodwill Xura	-	-	-	-	-	-11.9	-	-
<b>Total items affecting comparability</b>	<b>-44.0</b>	<b>-7.9</b>	<b>-10.1</b>	<b>-24.6</b>	<b>-4.7</b>	<b>-6.0</b>	<b>-11.8</b>	<b>-17.0</b>

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
<b>CLX Group, SEK million</b>								
Net sales	590.2	669.6	622.2	745.2	781.4	909.3	858.6	997.4
Gross profit	164.9	189.4	191.3	190.7	198.1	199.8	200.0	248.6
Gross margin	27.9%	28.3%	30.7%	25.6%	25.4%	22.0%	23.3%	24.9%
Adjusted EBITDA	72.1	76.0	80.9	74.0	71.7	70.1	65.0	97.4
Adjusted EBITDA margin	12.2%	11.4%	13.0%	9.9%	9.2%	7.7%	7.6%	9.8%
Adjusted EBITDA / gross profit	43.7%	40.1%	42.3%	38.8%	36.2%	35.1%	32.5%	39.2%
Adjusted EBITDA per share - diluted, SEK	1.48	1.56	1.63	1.45	1.34	1.31	1.21	1.82

## Condensed income statement

CLX Group, SEK million	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
<b>Net sales</b>	<b>997.4</b>	<b>745.2</b>	<b>1,856.0</b>	<b>1,367.4</b>	<b>3,058.1</b>	<b>3,546.7</b>
Other operating income	14.7	10.4	37.2	14.8	59.5	81.9
Work performed by the entity and capitalized	6.3	4.0	11.0	9.1	17.9	19.8
Cost of goods sold and services	-748.8	-554.5	-1,407.4	-985.4	-2,278.1	-2,700.1
Other external costs	-75.5	-71.7	-140.9	-125.1	-243.6	-259.4
Employee benefits expenses	-104.2	-78.4	-187.5	-151.6	-312.6	-348.4
Other operating expenses	-9.6	-5.6	-34.9	-9.0	-38.1	-64.0
<b>EBITDA</b>	<b>80.3</b>	<b>49.3</b>	<b>133.5</b>	<b>120.1</b>	<b>263.2</b>	<b>276.5</b>
Depreciation, amortization and impairment	-40.5	-31.1	-73.4	-60.8	-138.3	-150.8
<b>EBIT</b>	<b>39.8</b>	<b>18.3</b>	<b>60.1</b>	<b>59.3</b>	<b>124.9</b>	<b>125.7</b>
Finance income	55.5	94.0	68.9	118.4	185.2	135.7
Finance expenses	-55.1	-103.7	-72.4	-135.7	-235.7	-172.4
<b>Profit before tax</b>	<b>40.3</b>	<b>8.6</b>	<b>56.6</b>	<b>42.0</b>	<b>74.4</b>	<b>89.0</b>
Current tax	-17.7	-3.9	-28.2	-4.1	-33.3	-57.3
Deferred tax	6.4	-5.9	9.9	-5.7	93.3	108.9
<b>Profit for the period</b>	<b>29.0</b>	<b>-1.2</b>	<b>38.3</b>	<b>32.2</b>	<b>134.4</b>	<b>140.5</b>
<b>Attributable to:</b>						
Owners of the parent	29.0	-1.4	38.1	31.8	133.9	140.3
Non-controlling interests	0.0	0.2	0.1	0.4	0.5	0.2

## Earnings per share

CLX Group, SEK	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
<b>Earnings per share</b>						
- Basic	0.54	-0.03	0.71	0.63	2.58	2.62
- Diluted	0.54	-0.03	0.71	0.63	2.58	2.62

## Condensed statement of comprehensive income

CLX Group, SEK million	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
Profit for the period	29.0	-1.2	38.3	32.2	134.4	140.5
<b>Other comprehensive income or loss</b>						
Translation differences	18.8	-20.4	48.9	-18.9	26.9	94.8
Hedge accounting net investments	5.5	-25.7	-12.1	-35.1	-9.3	13.7
Tax effect on items in other comprehensive income	-1.2	5.4	2.7	7.9	2.1	-3.2
<b>Other comprehensive income for the period</b>	<b>23.1</b>	<b>-40.6</b>	<b>39.5</b>	<b>-46.2</b>	<b>19.7</b>	<b>105.3</b>
<b>Total comprehensive income for the period</b>	<b>52.2</b>	<b>-41.8</b>	<b>77.8</b>	<b>-14.0</b>	<b>154.1</b>	<b>245.8</b>
<b>Attributable to:</b>						
Owners of the parent	51.9	-41.9	77.8	-14.2	153.8	245.8
Non-controlling interests	0.2	0.1	0.0	0.2	0.2	0.0

## Condensed balance sheet

CLX Group, SEK million	Note	6/30/2018	6/30/2017	12/31/2017
<b>Assets</b>				
Goodwill		1,268.9	864.0	963.4
Customer relationships		727.7	633.3	575.9
Operator relationships		112.0	116.9	108.2
Proprietary software		150.2	113.5	112.3
Other intangible non-current assets		3.0	6.3	3.9
Tangible non-current assets		22.8	18.0	23.1
Non-current financial assets		24.5	19.2	29.2
Deferred tax assets		206.7	169.6	191.4
<i>Total non-current assets</i>		<i>2,515.7</i>	<i>1,940.9</i>	<i>2,007.3</i>
Tax receivables		6.5	6.6	1.7
Other current receivables		864.9	684.4	857.1
Cash and cash equivalents		177.0	690.0	164.6
<i>Total current assets</i>		<i>1,048.4</i>	<i>1,381.1</i>	<i>1,023.3</i>
<b>Total assets</b>		<b>3,564.1</b>	<b>3,322.0</b>	<b>3,030.6</b>
<b>Equity and liabilities</b>				
Equity attributable to owners of the parent	3	1,571.5	1,334.0	1,493.4
Non-controlling interests		1.2	6.2	1.1
<i>Total equity</i>		<i>1,572.7</i>	<i>1,340.3</i>	<i>1,494.6</i>
Provision for deferred taxes		235.3	277.7	196.2
Provision for restructuring costs		10.2	16.4	11.3
Other provisions		0.2	0.3	0.2
<i>Total provisions</i>		<i>245.6</i>	<i>294.5</i>	<i>207.7</i>
Non-current liabilities, interest bearing		452.2	449.7	387.7
Non-current liabilities, non-interest bearing		216.2	51.9	54.3
<i>Total non-current liabilities</i>		<i>668.4</i>	<i>501.6</i>	<i>442.1</i>
Current liabilities, interest bearing		162.3	486.0	125.7
Tax liabilities		38.5	36.4	45.1
Other current liabilities, non-interest bearing		876.7	663.2	715.5
<i>Total current liabilities</i>		<i>1,077.4</i>	<i>1,185.6</i>	<i>886.4</i>
<b>Total equity and liabilities</b>		<b>3,564.1</b>	<b>3,322.0</b>	<b>3,030.6</b>

### Financial instruments measured at fair value

Derivatives with positive fair value	0.6	0.6	1.3
Derivatives with negative fair value	2.0	2.4	0.1

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The financial assets and liabilities are attributable to measurement levels 2 and 3. For information on the measurement techniques, see Note 31 in the 2017 Annual Report.

## Condensed statement of changes in equity

CLX Group, SEK million	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Other capital contributions	Reserves	Retained earnings	Total		
Opening balance 1 January 2017	5.0	881.5	17.1	-44.3	859.1	5.9	865.0
Total comprehensive income			-46.0	31.8	-14.2	0.2	-14.0
Warrants issue		8.3			8.3		8.3
New share issue	0.4	487.7			488.1		488.1
Issue expenses, net after tax				-7.0	-7.0		-7.0
<b>Closing balance 30 June 2017</b>	<b>5.4</b>	<b>1,377.5</b>	<b>-28.9</b>	<b>-19.6</b>	<b>1,334.0</b>	<b>6.2</b>	<b>1,340.3</b>
Opening balance 1 January 2018	5.4	1,377.7	37.0	73.7	1,493.3	1.1	1,494.6
Total comprehensive income			39.6	38.1	77.8	0.0	77.8
Warrants issue		0.6			0.6		0.6
<b>Closing balance 30 June 2018</b>	<b>5.4</b>	<b>1,378.3</b>	<b>76.6</b>	<b>111.8</b>	<b>1,571.5</b>	<b>1.2</b>	<b>1,572.7</b>

## Condensed statement of cash flows

CLX Group, SEK million	Note	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
Cash flow before changes in working capital		40.2	39.6	72.7	98.1	189.2	163.8
Changes in working capital		169.7	36.6	186.1	-15.5	-138.0	63.6
<b>Cash flow from operating activities</b>		<b>209.9</b>	<b>76.2</b>	<b>258.7</b>	<b>82.6</b>	<b>51.3</b>	<b>227.4</b>
Net investments in tangible and intangible assets		-8.8	-5.7	-14.9	-11.0	-30.2	-34.1
Change in financial receivables		0.1	0.4	-19.6	-6.0	-6.2	-19.9
Acquisition of subsidiary/net assets	5	-81.1	-311.2	-283.0	-456.1	-526.1	-353.0
<b>Cash flow from investing activities</b>		<b>-89.8</b>	<b>-316.5</b>	<b>-317.6</b>	<b>-473.1</b>	<b>-562.6</b>	<b>-407.0</b>
New borrowing		0.0	381.9	136.8	515.8	515.8	136.8
Amortization of bank loan		-40.6	-31.5	-73.2	-31.5	-436.9	-478.6
New share issue/warrants	3	0.0	479.4	0.0	486.9	485.3	-1.6
<b>Cash flow from financing activities</b>		<b>-40.6</b>	<b>829.8</b>	<b>63.6</b>	<b>971.3</b>	<b>564.2</b>	<b>-343.4</b>
<b>Cash flow for the period</b>		<b>79.5</b>	<b>589.6</b>	<b>4.8</b>	<b>580.7</b>	<b>52.9</b>	<b>-523.0</b>
Cash and cash equivalents at the beginning of the period		92.3	106.0	164.6	115.3	115.3	690.0
Exchange rate differences in cash and cash equivalents		5.2	-5.6	7.7	-6.1	-3.7	10.1
<b>Cash and cash equivalents at the end of the period</b>		<b>177.0</b>	<b>690.0</b>	<b>177.0</b>	<b>690.0</b>	<b>164.6</b>	<b>177.0</b>

## Other disclosures

CLX Group, SEK million	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017	R12M
<b>Share information</b>						
Basic earnings per share, SEK	0.54	-0.03	0.71	0.63	2.58	2.62
Diluted earnings per share, SEK	0.54	-0.03	0.71	0.63	2.58	2.62
Basic weighted average number of shares*	53,602,089	50,967,157	53,602,089	50,289,216	52,002,693	53,602,089
Diluted weighted average number of shares*	53,602,089	50,967,157	53,602,089	50,289,216	52,002,693	53,602,089
Number of ordinary shares at the end of the period	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089
Total number of shares at the end of the period	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089
<b>Financial position</b>						
Equity attributable to owners of the parent	1,571.5	1,334.0	1,571.5	1,334.0	1,493.4	1,571.5
Equity ratio	44.1%	40.3%	44.1%	40.3%	49.3%	44.1%
Equity per share, SEK	29.32	24.89	29.32	24.89	27.86	29.32
Net investments in tangible and intangible assets	8.8	5.7	14.9	11.0	30.2	34.1
Cash and cash equivalents	177.0	690.0	177.0	690.0	164.6	177.0
Net debt	437.5	245.7	437.5	245.7	348.8	437.5
<b>Employees</b>						
Number of FTEs	380	345	369	333	340	365
Percentage female	21%	21%	21%	20%	20%	21%
<b>Key figures</b>						
Operating margin, EBITDA	8.1%	6.6%	7.2%	8.8%	8.6%	7.8%
Operating margin, EBIT	4.0%	2.5%	3.2%	4.3%	4.1%	3.5%
Net margin, profit for the period	2.9%	-0.2%	2.1%	2.4%	4.4%	4.0%

\*Historical average number of shares has been recalculated after new share issue for comparison.

## Segment reporting

An operating segment is defined as a business activity that is able to generate revenues and incur costs, whose operating results are regularly reviewed by the entity's chief executive officer and for which separate financial information is available. The Group's operating segments consist of the Enterprise Division, the Operator Division, Sinch and Vehicle. Items below EBITDA and items affecting comparability are not allocated to the segments.

Apr - Jun 2018, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
Revenue from customers in Europe	549.8	19.0	9.5	-	-	578.2
Revenue from customers in North America	282.8	0.0	4.6	12.5	-	300.0
Revenue from customer in the Rest of the World	102.1	13.4	3.6	-	-	119.1
<b>External revenue</b>	<b>934.7</b>	<b>32.4</b>	<b>17.7</b>	<b>12.5</b>	<b>-</b>	<b>997.4</b>
Internal revenue	0.5	1.2	0.1	-	-1.7	-
<b>Gross profit</b>	<b>198.8</b>	<b>30.8</b>	<b>10.1</b>	<b>8.7</b>	<b>0.3</b>	<b>248.6</b>
<b>EBITDA</b>	<b>106.1</b>	<b>3.5</b>	<b>-5.1</b>	<b>2.2</b>	<b>-26.5</b>	<b>80.3</b>
Depreciation, amortization and impairment						-40.5
<b>EBIT</b>						<b>39.8</b>
Finance expenses						0.5
<b>Profit before tax</b>						<b>40.3</b>

EBITDA for the parent company amounts to SEK -8.2 million. Unallocated items include acquisition costs of SEK 4.3 million and integration costs of SEK 12.8 million.

Apr - Jun 2017, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
<b>External revenue</b>	<b>696.1</b>	<b>38.3</b>	<b>10.8</b>	<b>-</b>	<b>-</b>	<b>745.2</b>
Internal revenue	0.6	2.4	-	-	-3.0	-
<b>Gross profit</b>	<b>149.8</b>	<b>34.0</b>	<b>8.4</b>	<b>-</b>	<b>-1.5</b>	<b>190.7</b>
<b>EBITDA</b>	<b>74.7</b>	<b>5.5</b>	<b>-4.4</b>	<b>-</b>	<b>-26.5</b>	<b>49.3</b>
Depreciation, amortization and impairment						-31.1
<b>EBIT</b>						<b>18.3</b>
Finance expenses						-9.7
<b>Profit before tax</b>						<b>8.6</b>

EBITDA for the parent company amounts to SEK -1.5 million. Unallocated items include acquisition costs of SEK 5.7 million, restructuring costs of SEK 15.1 million and integration costs of SEK 3.8 million.

Jan - Jun 2018, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
Revenue from customers in Europe	1,044.5	38.7	15.2	-	-	1,098.4
Revenue from customers in North America	452.8	0.0	12.7	12.5	-	478.1
Revenue from customer in the Rest of the World	249.3	25.6	4.7	-	-	279.5
<b>External revenue</b>	<b>1,746.7</b>	<b>64.3</b>	<b>32.5</b>	<b>12.5</b>	<b>-</b>	<b>1,856.0</b>
Internal revenue	1.0	2.4	0.2	-	-3.6	-
<b>Gross profit</b>	<b>360.3</b>	<b>60.5</b>	<b>18.9</b>	<b>8.7</b>	<b>0.3</b>	<b>448.6</b>
<b>EBITDA</b>	<b>177.9</b>	<b>4.9</b>	<b>-9.6</b>	<b>2.2</b>	<b>-41.9</b>	<b>133.5</b>
Depreciation, amortization and impairment						-73.4
<b>EBIT</b>						<b>60.1</b>
Finance expenses						-3.5
<b>Profit before tax</b>						<b>56.6</b>

EBITDA for the parent company amounts to SEK -13.6 million. Unallocated items include acquisition costs of SEK 8.9 million and integration costs of SEK 20.0 million.

Jan - Jun 2017, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
<b>External revenue</b>	<b>1,261.9</b>	<b>83.2</b>	<b>22.3</b>	<b>-</b>	<b>-</b>	<b>1,367.4</b>
Internal revenue	1.1	3.1	-	-	-4.2	-
<b>Gross profit</b>	<b>289.4</b>	<b>76.8</b>	<b>17.4</b>	<b>-</b>	<b>-1.5</b>	<b>382.0</b>
<b>EBITDA</b>	<b>146.1</b>	<b>24.1</b>	<b>-9.2</b>	<b>-</b>	<b>-40.9</b>	<b>120.1</b>
Depreciation, amortization and impairment						-60.8
<b>EBIT</b>						<b>59.3</b>
Finance expenses						-17.3
<b>Profit before tax</b>						<b>42.0</b>

EBITDA for the parent company amounts to SEK -6.0 million. Unallocated items include acquisition costs of SEK 8.8 million, restructuring costs of SEK 15.1 million and integration costs of SEK 10.8 million.

## Parent company

CLX Communications AB (publ) owns and manages the shares attributable to the CLX Group. The Group's operational and strategic management functions have been centralized to the parent company. At the end of the period, the parent company had 9 (6) employees. The parent company has no external business activities and the risks are mainly related to the operations of the subsidiaries.

## Condensed parent company income statement and balance sheet

CLX Communications AB, SEK million	Jan - Jun 2018	Jan - Jun 2017	Jan - Dec 2017
Operating revenue	12.5	3.5	13.0
Operating costs	-26.9	-9.5	-26.2
<b>Operating loss, EBIT</b>	<b>-14.4</b>	<b>-6.0</b>	<b>-13.2</b>
Finance income & expenses	75.6	-76.7	-110.4
<b>Profit/loss after financial items</b>	<b>61.2</b>	<b>-82.7</b>	<b>-123.5</b>
Appropriations	-	-	133.6
Tax on profit/loss for the period	-13.5	18.2	-2.3
<b>Profit/loss for the period</b>	<b>47.7</b>	<b>-64.5</b>	<b>7.8</b>

CLX Communications AB, SEK million	6/30/2018	6/30/2017	12/31/2017
<u>Assets</u>			
Non-current assets	2,169.1	2,065.3	2,046.1
Current assets	184.6	263.1	186.7
<b>Total assets</b>	<b>2,353.6</b>	<b>2,328.4</b>	<b>2,232.9</b>
<u>Equity and liabilities</u>			
Equity	1,465.9	1,347.6	1,418.2
Untaxed reserves	8.3	6.6	8.3
Non-current liabilities	492.0	489.3	427.4
Current liabilities	387.5	485.0	378.9
<b>Total equity and liabilities</b>	<b>2,353.6</b>	<b>2,328.4</b>	<b>2,232.9</b>
Pledged assets and contingent liabilities	350.0	350.0	350.0

## Note 1 – Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and applicable provisions of the Annual Accounts Act. Disclosures in accordance with IAS 34 *Interim Financial Reporting* are provided in notes and elsewhere in the interim report. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act, which is in accordance with RFR 2 *Accounting of Legal Entities*. None of the new or amended IFRS standards or interpretations from the IFRS Interpretations Committee which apply from 1 January 2018 has had any material impact on CLX's financial statements.

CLX began applying IFRS 9 *Financial Instruments* as of 1 January 2018. The standard supersedes IAS 39. IFRS 9 contains rules for recognition, classification and measurement, impairments, derecognition and general rules for hedge accounting. The application of IFRS 9 has had no material effect on the financial performance or position of the Group or the parent company and no adjustments have been made to opening balances at 1 January 2018.

Effective 1 January 2018, CLX applies IFRS 15 Revenue from Contracts with Customers, which supersedes IAS 11 and IAS 18. CLX's revenues are derived mainly from sales of services where performance obligations, the point in time at which control of the service is passed to the customer and payment terms are all clearly identifiable. The transition to IFRS 15 has therefore had no effect on CLX's financial statements, other than the extended disclosures that must be presented for the current financial year in accordance with the forward-looking method. Distribution of revenues is shown in Operating Segments on page 20.

Apart from the above, the accounting policies and estimation methods are unchanged from those applied in the 2017 annual report.

## Note 2 – Pledged assets and contingent liabilities

The shares in CLX Networks AB and Symsoft AB have been pledged as collateral for the obligations within the current loan agreement. The consolidated value of pledged assets at 30 June 2018 amounted to SEK 446.2 million (382.6). In addition, floating charges in these companies of SEK 20 million (20) and SEK 25 million (25), respectively, have been pledged as collateral for the loan agreement. Other guarantees amounted to SEK 3.8 million (5.6).

## Note 3 – Incentive program

Please refer to Note 21 of the 2017 annual report for detailed information concerning the group's incentive programs.

<b>Warrants</b>		<b>Vested warrants</b>	
Opening balance 1 January 2018	1,205,700	Vested as per 1 January 2018	98,785
New share issue	-	Vested during the period	69,639
<b>Closing balance 30 June 2018</b>	<b>1,205,700</b>	<b>Vested as per 30 June 2018</b>	<b>168,424</b>
Of which in own custody	19,500	Warrants not yet vested	229,076

Payroll costs for vested warrants are included in profit and loss for the period of January to June 2018 in the amount of SEK 0.2 million, with a corresponding increase in equity. Social insurance costs are included in the amount of SEK 0.0 million, recognized as a provision in the balance sheet. The total cost of the warrant program is expected to be approximately SEK 5 million distributed across the term of the program.

The warrants have not been assessed as dilutive during the period because the exercise price has exceeded the average share price. The potential dilutive effect upon exercise of all employee warrants is 2.2 percent.

## Note 4 – Reconciliation of tax on profit/loss for the period

<b>Reconciliation of tax expense for the year</b>	<b>Jan-Jun 2018</b>	<b>Jan-Jun 2017</b>
Profit before tax	56.6	42.0
Tax calculated at Swedish tax rate, 22%	-12.4	-9.2
Tax attributable to previous years	0.2	-
Tax effect of non-deductible expenses	-3.0	-1.0
Tax effect of non-taxable revenue	1.4	0.7
Tax on standard interest rate, tax allocation reserves	0.0	0.0
Tax effect of non-capitalized loss carryforwards	-2.6	0.0
Effect of changed tax rates	0.1	-
Effect of foreign tax rates	-1.9	0.4
<b>Tax on profit of the year according to income statement</b>	<b>-18.3</b>	<b>-9.2</b>

## Note 5 – Acquisition of group companies

### Unwire

The acquisition of 100 percent of the share capital in Unwire Communication ApS was closed on 27 March, and the company was included in the consolidated accounts from that date. The purchase consideration was DKK 148 million (SEK 205.3 million) on a cash- and debt-free basis. The acquisition was financed with expanded credit facilities of DKK 100 million (SEK 136.8 million) and cash reserves. According to the preliminary acquisition analysis, goodwill of SEK 126.6 million arose upon acquisition, mainly attributable to the expertise and expanded geographic range contributed by Unwire. The estimated useful life of proprietary software and customer relationships PSMS is three years. The estimated useful life of other customer relationships and operator relationships is ten years.

### Vehicle

The acquisition of 100 percent of the share capital in Vehicle Agency LLC was closed on 4 April and the company was included in the consolidated accounts from that date. The initial purchase consideration was USD 8 million (SEK 67.1 million) on a cash- and debt-free basis. In addition, an earnout of USD 4 million was paid in July. The acquisition was financed with cash reserves. The purchase agreement includes additional earnouts based on sales and EBITDA performance of a maximum of USD 18 million. The anticipated outcome discounted to present value amounts to USD 14.8 million and has been recognized as a liability. According to the preliminary acquisition analysis, goodwill of SEK 148.7 million arose upon acquisition, mainly attributable to the expertise and expanded geographic range contributed by Vehicle. The estimated useful life of proprietary software, and customer relationships is ten years and the estimated useful life of the brand is one year.

### Acquisition analyses

Fair value acquired net assets, SEK million	Unwire	Vehicle
Customer relationships	73.7	71.7
Customer relationships, PSMS	5.5	-
Operator relationships	3.9	-
Trademark	-	0.4
Proprietary software	12.5	27.8
Other intangible and tangible non-current assets	0.2	2.1
Deferred tax assets	7.8	-
Current assets	21.0	10.6
Cash and cash equivalents	8.0	2.7
Deferred tax liability	-21.0	-21.0
Current liabilities	-32.8	-1.6
<b>Total acquired net assets</b>	<b>78.7</b>	<b>92.6</b>

### Allocation of purchase consideration

Purchase consideration, SEK million	Unwire	Vehicle
Original purchase consideration	205.3	67.1
Additional purchase consideration, debt	-	168.4
Settlement working capital	-	3.1
Settlement cash and cash equivalents	-	2.7
<b>Total purchase consideration</b>	<b>205.3</b>	<b>241.4</b>
Fair value acquired net assets	-78.7	-92.6
<b>Goodwill</b>	<b>126.6</b>	<b>148.7</b>

### Effects of acquisitions on consolidated cash and cash equivalents

Investing activities, SEK million	Unwire	Vehicle	Sinch	Dialogue
Original purchase consideration	205.3	67.1	-	-
Settlement working capital	-	2.6	-	-
Settlement debt	-	-	-	7.1
Settlement cash and cash equivalents	-	2.7	-	-
Cash and cash equivalents in acquired entity	-8.0	-2.7	-	-
Expenses directly linked to the acquisition	5.6	2.1	0.1	1.0
<b>Effect on consolidated cash and cash equivalents from acquisitions</b>	<b>202.9</b>	<b>71.9</b>	<b>0.1</b>	<b>8.1</b>

**Contribution of acquired companies to consolidated net sales and profit after tax**

Jan - Jun 2018, SEK million	Unwire	Vehicle
Net sales	32.4	12.5
Profit after tax for the period	9.9	1.5

The following table shows net sales and profit after tax for the period as if the acquisitions had taken place on 1 January 2018

Jan - Jun 2018, SEK million	Unwire	Vehicle	Amortization		Total
			Other entities	acquired assets	
Net sales	60.5	23.5	1,810.5	-	1,894.5
Profit after tax for the period	19.1	2.6	39.6	-9.5	51.8

## Definitions of financial terms, performance measurements and operational measurements

### Financial measurements defined under IFRS:

Gross profit	Net sales less the cost of goods and services sold.
Earnings per share, basic and diluted	Net profit for the period attributable to owners of the parent divided by the volume-weighted average number of shares outstanding in the period before/after dilution.

The company presents certain financial measurements that are not defined under IFRS. The company believes that these measurements provide useful supplemental information to investors and the company's management for reasons including that they enable evaluation of the company's performance. For instance, EBITDA is reported as a key figure because it illustrates the underlying results of operations without the effect of depreciation and amortization, which provides a more comparable measurement when depreciation and amortization refer to historical investments. The company has also chosen to report the performance measurement of adjusted EBIT/EBITDA to show the underlying results of operations excluding non-recurring items such as capital gains/losses, acquisition costs, and restructuring and integration costs. Because not all companies calculate financial measurements in the same way, these are not always comparable to measurements used by other companies. These financial measurements should therefore not be considered a substitute for measurements defined under IFRS.

### Financial measurements not defined under IFRS:

Gross margin	Gross profit in relation to net sales.
Equity per share	Equity at the end of the period attributable to owners of the parent company divided by the number of shares at the end of the period.
Net investments in property, plant and equipment and intangible assets	Investments in property, plant and equipment and intangible assets during the period less divested property, plant and equipment and intangible assets.
Net margin	Net profit for the period in relation to net sales.
Interest-bearing liabilities	Bank loans and financial leasing liabilities.
Net debt	Interest-bearing liabilities less cash and cash equivalents.
Equity/assets ratio	Equity as a percentage of total assets.
Operating profit, EBIT	Profit for the period before financial income, financial expense and tax.
Operating profit, EBITDA	Profit for the period before financial income, financial expense, tax and depreciation, amortization and impairment of intangible assets and property, plant and equipment.
Items affecting comparability	Non-recurring items such as capital gains/losses, IPO expenses, acquisition costs, integration costs and restructuring costs.
Adjusted EBIT	Profit for the period before financial income, financial expense and tax, adjusted for items affecting comparability.
Adjusted EBITDA	Profit for the period before financial income, financial expenses, tax and depreciation, amortization and impairment of intangible assets and property, plant and equipment, adjusted for items affecting comparability.
EBIT margin / Adjusted EBIT margin	EBIT / Adjusted EBIT in relation to net sales.
EBITDA margin / Adjusted EBITDA margin	EBITDA / Adjusted EBITDA in relation to net sales.

### Operational measurements

Percentage women	Average number of women in relation to the average total number of employees during the period, recalculated as full-time equivalents.
Number of ordinary shares at the end of the period	Number of ordinary shares at the end of the period.
Average number of employees	Average number of employees during the period, recalculated as full-time equivalents.
Organic growth	Change in net sales excluding the contribution of acquired units to net sales in relation to net sales in the comparison period.
Total shares outstanding at the end of the period	Total number of ordinary shares and preference shares at the end of the period.

## Forthcoming reporting dates

Interim report, January – September 2018

6 November 2018

## Outlook

CLX does not publish forecasts.

## Risk assessment

CLX is, like all businesses, exposed to various types of risks in its operations. These include risks related to currency fluctuations, dependence on certain strategic partners, technological change, dependence on key personnel, as well as tax risks and political risks related to the multinational nature of the Group's activities. Risk management is an integral part of CLX's management, and risks are described in more detail in Note 32 of the 2017 annual report. The risks described for the Group may also have an indirect impact on the parent company.

## Forward-looking statements

This report contains statements concerning, among other things, CLX's financial position and earnings as well as statements regarding market conditions that may be forward-looking. CLX believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. Forward-looking statements, however, include risks and uncertainties and actual outcomes or consequences may differ materially from those expressed. Other than as required by applicable law, forward-looking statements apply only on the day they are presented and CLX does not undertake to update any of them in light of new information or future events.

## Assurance

The board of directors and the CEO certify that the interim report gives a true and fair view of the company's and the Group's operations, position and results and describes significant risks and uncertainties faced by the company and the companies included in the Group.

## For additional information, please contact:

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Stockholm, 20 July 2018

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President and CEO

Note: CLX Communications AB (publ) is required to publish the information in this interim report pursuant to the EU market abuse regulation. The information was submitted for publication on 20 July 2018 at 07.30 CET.

*This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply. This report has not been subject to review by the company's independent auditor.*