Stockholm, 18 May 2018

Interim report, January – March 2018

January – March 2018

- Net sales increased by 38 percent to SEK 858.6 million (622.2). Organic growth was 13 percent.
- EBITDA amounted to SEK 53.2 million (70.8).
- EBITDA excluding items affecting comparability[1] (adjusted EBITDA) amounted to SEK 65.0 million (80.9), corresponding to SEK 1.21 (1.63) per share.
- Operational foreign exchange differences affected operating profit for the period by SEK -2.0 million (-0.9).
- EBIT amounted to SEK 20.3 million (41.1).
- Profit after tax for the period amounted to SEK 9.2 million (33.4).
- Basic and diluted earnings per share amounted to SEK 0.17 (0.67).

Significant events during the quarter

- On 27 March, CLX acquired 100 percent of share capital in Unwire Communication ApS based in Copenhagen, Denmark. Unwire has about 20 employees. The company is a leading vendor of cloud communications and messaging services to the Nordic financial sector. The purchase consideration was DKK 148 million on a cash- and debt-free basis. The acquisition was financed with expanded credit facilities of DKK 100 million and cash reserves.

Significant events after the end of the period

- 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, USA. The company specializes in technology and solutions in personalized video and rich media communications solutions. The purchase consideration was USD 8 million on a cash- and debt-free basis, as well as a possible earnout of USD 4 million. The acquisition was financed with cash reserves.
- Thomas Heath was appointed Chief Strategy Officer, a new role at CLX, on 16 April. The new CSO will also have overall responsibility for Investor Relations.
- Oscar Werner was appointed President and CEO of CLX Communications AB on 19 April and will take up the position on 1 September 2018. Johan Hedberg will take a new role as responsible for business development, focusing on North America.
- Anders Olin, the former COO of the Enterprise Division, was appointed Managing Director of the Division. Robert Gerstman, the former Managing Director of the Division and a co-founder of CLX, will be the Chief Evangelist for the Division.

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 at a phone conference at 09:00 CET on May 18.
To participate in the presentation by phone, please ring any of the following numbers and state the code 3345144:

SE: +46 (0) 8 506 539 42
UK: +44 (0) 33 0336 9411
US: +1 929 477 0353

Register here to watch the presentation via Webcast: https://edge.media-server.com/m6/p/d23sq2jp.

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.

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Message from the CEO

Wrapping up integration and shifting focus outwards

Industrious activity in the company characterized the first quarter of the year. Focus in the Enterprise Division was on intensifying sales initiatives, the migration of Dialogue and Mblox customers to our new platform, Nova, and deploying several large American customers with which contracts were made in 2017. All activities are progressing as planned but, as a whole, demand major efforts from the organization.

As our development resources finish the migration work, we will be stepping up the pace of development of new products and services, including Rich Communication Services and “omnichannel” solutions, where we help enterprises reach their customers via multiple channels. We see that we can leverage our strong position in messaging services to first win new customers and then grow with voice and video services, for example. The acquisition of Vehicle has given us the technology for multimedia messaging and personalized video services, which are going to be increasingly important as we move forward. The acquisition also brings a strong customer base. We see many exciting opportunities to cross-sell Vehicle’s services to our existing customer base.

The acquisition of Unwire is another step in our strategy of consolidating the traditional messaging services market, increasing our cost advantages and ensuring the cash flow for our expansion into related areas. Unwire has a strong market position, both regionally in Denmark and functionally within the banking and finance sector, and we expect synergies on both the cost and revenue sides.

We are continuing the recast of our sales organization and see good growth opportunities in relation to new and existing customers. Organic growth in the Enterprise Division in the first quarter was further improved compared to the last quarter of 2017. I believe our focus on organic growth will have further and accelerating impact later this year and early next. As before, the gross margin trend is an effect of the geographies in which our traffic is terminated and there were no significant changes in that regard during the quarter. EBIT was reduced somewhat by temporarily higher costs for customer migration, which will be essentially complete this summer, when we will also be able to realize cost savings as we shut down platforms.

The first quarter was a disappointment for the Operator Division. The conversion of outstanding quotations to orders and revenue during the winter was slower than we anticipated. Revenue and profit for the quarter were therefore lower than planned. We expect the Division’s performance to gradually improve as we go forward and, with time, to return to a more normal profitability and growth rate. There is good underlying demand for the Division’s products and services. This was particularly evident during this year’s Mobile World Congress where the Cloud Core Network, our “as a service” solution, attracted considerable interest. Based on the Division’s strong customer relationships and the persistently good development of the sales pipeline, my faith in the Division’s long-term development and financial potential remains strong.

This year is the tenth anniversary of CLX’s founding. In the space of that decade, the company has grown from zero to annual sales of more than SEK 3 billion. We have acquired several companies, gained strong positions in several of the biggest markets in the world and established CLX as a leading provider in our industry. It is now time for me to pass the baton and I am confident that my successor Oscar Werner has precisely the expertise and drive required to take the company to the next level. As for me, I will continue to play an active role in the company and head up various business development projects, mainly in North America.

As we soon emerge from a period of migration and platform consolidation, CLX will be standing strong, based on the world's best cloud communications platform. With the work we are now accomplishing, the products and services we can offer and - not least importantly - the most talented people in the business, I am very optimistic about the next few years.

Stockholm, 18 May 2018

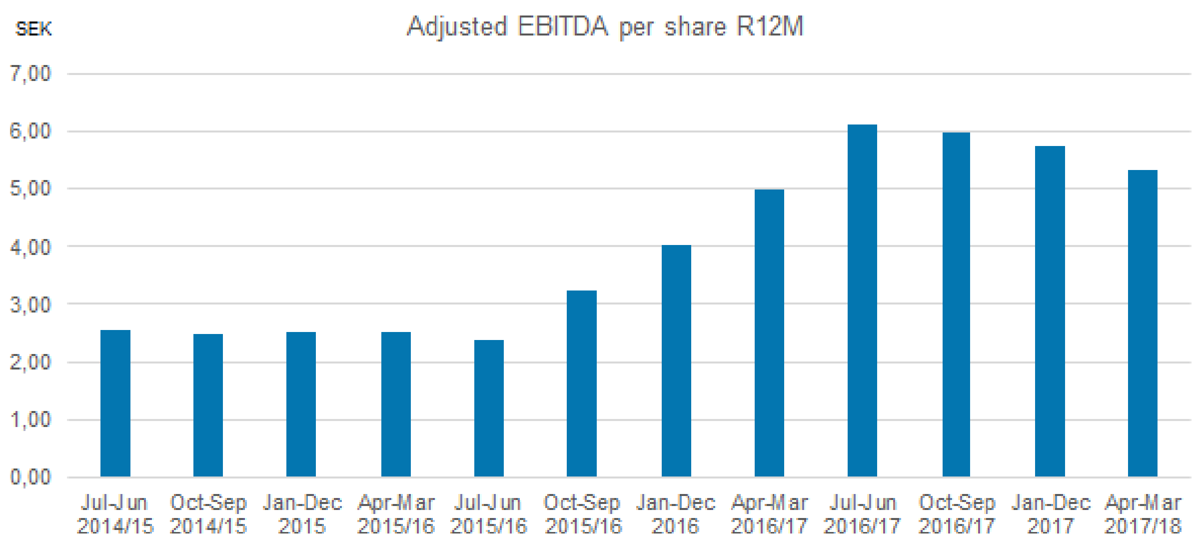
Johan Hedberg
President and CEO

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 22.

CLX Group, SEK million	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Net sales	858.6	622.2	3,058.1	3,294.5
Gross profit	200.0	191.3	780.0	788.8
Gross margin	23.3%	30.7%	25.5%	23.9%
Operating profit, EBITDA	53.2	70.8	263.2	245.5
EBITDA margin	6.2%	11.4%	8.6%	7.5%
Adjusted EBITDA	65.0	80.9	296.7	280.7
Adjusted EBITDA margin	7.6%	13.0%	9.7%	8.5%
Adjusted EBITDA / gross profit	32.5%	42.3%	38.0%	35.6%
Operating profit, EBIT	20.3	41.1	124.9	104.1
EBIT margin	2.4%	6.6%	4.1%	3.2%
Adjusted EBIT	32.1	51.2	170.3	151.2
Adjusted EBIT margin	3.7%	8.2%	5.6%	4.6%
Profit for the period	9.2	33.4	134.4	110.3
Net margin	1.1%	5.4%	4.4%	3.3%
Cash flow from operating activities	48.8	6.3	51.3	93.7
Equity ratio	48.0%	36.4%	49.3%	48.0%
Diluted earnings per share, SEK	0.17	0.67	2.58	2.07
Average number of employees	357	317	340	352

Items affecting comparability, SEK m	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Acquisition costs	-4.6	-3.1	-9.3	-10.8
Restructuring costs	-	-	-15.0	-15.0
Integration costs	-7.2	-7.0	-24.2	-24.5
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
Total items affecting comparability	**-11.8**	**-10.1**	**-45.3**	**-47.1**



Operations

The market

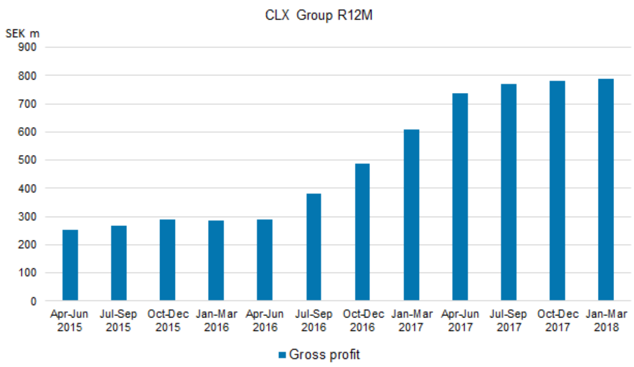
Demand for CLX's products and services remains strong. The cloud-based A2P messaging segment (automated business-critical messages from enterprises to individuals) is highly competitive, but CLX has purposefully built up a leading market position. As a result, the company is winning market shares organically, based on quality, cost-effectiveness and economies of scale, and is well-positioned to continue consolidating the market through acquisitions. CLX is focusing on addressing, and growing in, both geographical markets and in market segments where conditions for good profitability exist. The acquisition of Unwire is in line with this strategy and gives CLX both a leading market position in Denmark and a robust offering to the financial sector.

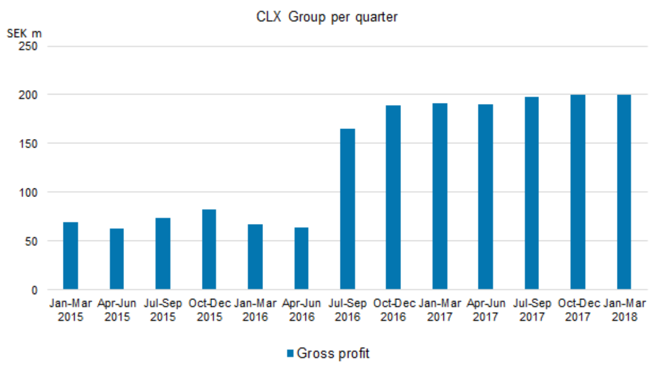
As a leading market player, with substantial economies of scale and a strong negotiating position vis-à-vis customers and suppliers, CLX has strong potential to be highly profitable. In our estimation, few if any competitors have scale and efficiency advantages equal to ours.

Market demand is also increasing for integrated, cloud-based communications solutions that include messaging, voice and video communication. In order to offer our customers complete communications solutions, CLX continues to increase its exposure to complementary product and development areas, such as cloud-based voice communication and the Internet of Things (IoT).

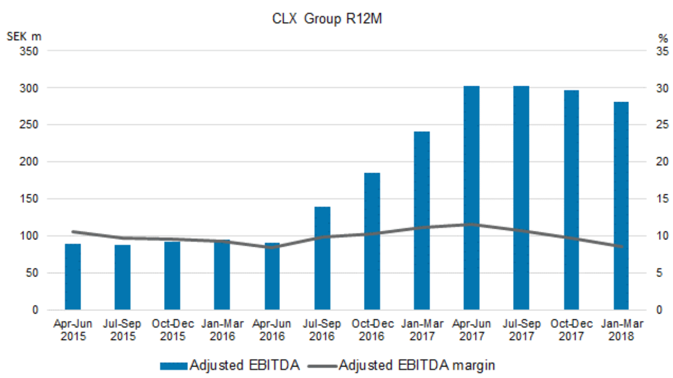
The acquisition of Vehicle in early April augmented the CLX product portfolio with personalized video services, an area where we have identified major future potential. A comprehensive development project is also ongoing in Rich Communication Services (RCS), which we have assessed as being set for take-off in 2018. The initiatives in IoT are also continuing. New functionalities are being launched one after the other and sales and marketing activities are increasing. This is being accomplished in close collaboration between the Operator and Enterprise Divisions, as a joint “as-a-service” solution.

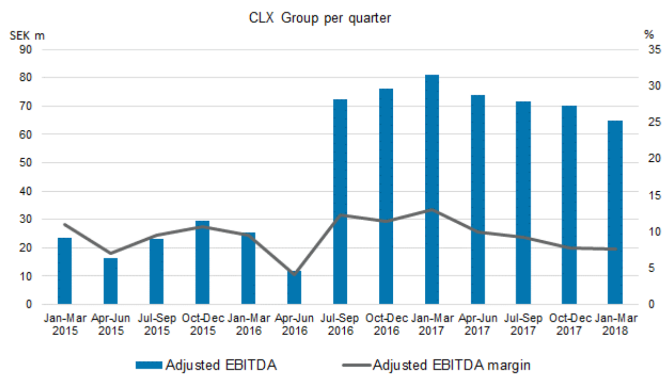
Gross profit





Adjusted EBITDA and adjusted EBITDA margin





January – March 2018

Net sales

Consolidated net sales grew in the quarter by 38 percent to SEK 858.6 million (622.2). Amounts in parentheses refer to the corresponding quarter in the preceding year. Organic growth was 13 percent.

The number of transactions in comparable units (excluding Dialogue and Xura Secure Communications, now CLX Communications GmbH) increased by about 23 percent during the quarter compared to the corresponding 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.

The integration of Mblox, Xura and Dialogue has moved into the final phase. Currently, Mblox and Dialogue traffic is being migrated to Nova, the new group-wide transaction system. As planned, this will be largely complete during the second quarter. The migration is still laying claim to significant resources, but in parallel we have increased focus on new sales, aimed at accelerating organic growth. The Enterprise Division has been reinforced with additional management capacity to increase the focus on commercial business development. 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. We expect to see the effects of this during 2018.

In the Enterprise Division, we are continuing to strengthen our market position and increasing our market shares/economies of scale to ensure good profitability over the long term. We expect our competitive advantages to further increase once the migration to Nova is complete. Nova is going to enable even higher cost-effectiveness and quality in our services, as well as faster, simpler integration of future acquisitions.

The acquisition of Unwire on 27 March had only very marginal effect on the Enterprise Division's sales and earnings in the first quarter.

Organic growth was positively affected during the quarter by the depreciation of the Swedish krona, primarily against the British pound. The group has significant revenues in GBP. If exchange rates had been the same during the quarter as in the same quarter in 2017, revenues would have been about SEK 6.8 million lower and organic growth would have been 12 percent.

Gross profit

During the quarter, gross profit amounted to SEK 200.0 million (191.3) and the gross margin was 23.3 percent (30.7). 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. The share of traffic volume in markets where the gross margin is lower has increased since early 2017, which has had adverse impact on gross margin performance. Higher pass through billing in relation to a large American operator, beginning in the summer of 2017, also led to adjustment of the gross margin level in the group's American operations. Pass through billing in the US is going to further increase starting at mid-year when AT&T, the largest US operator, also implements traffic tariffs.

The Danish company Unwire, acquired in late March, will have positive effect on the consolidated gross margin.

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

Operating profit

EBITDA amounted to SEK 53.2 million (70.8) and EBIT to SEK 20.3 million (41.1).

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. Costs increased as an effect of the migration project moving into the intensive final phase, which required allocation of additional resources to development and support. This temporary increase in resources reduced quarterly earnings by approximately SEK 2 million. These costs will further increase somewhat during the second quarter. After that, most of the qualified resources included in the Nova and migration projects will be used for development of new services and products for the Enterprise Division.

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 sharp 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 have also created the conditions for increased economies of scale and lower operating costs per transaction. Efforts to realize these economies of scale and optimize the cost structure are ongoing. This is mainly complete with regard to Mblox. The remaining aspect is to reap further efficiency gains once all traffic has been moved to Nova. As regards Xura and Dialogue, the full synergy effects will be achieved in the second half of 2018. At that point, all traffic will have been migrated to Nova, which will enable further streamlining of numerous support functions. We expect to achieve remaining cost synergies of approximately SEK 10-15 million per year once this is complete. However, these will be fully or partially compensated by investments in the development of new services and products for the Enterprise Division, within the framework of its CPaaS offer.

Acquisition and integration costs reduced earnings for the quarter by SEK 11.8 million (10.1). Adjusted for these items, EBITDA amounted to SEK 65.0 million (80.9) and EBIT to SEK 32.1 million (51.2). Acquisition costs are attributable primarily to external advisory services in relation to the acquisition of Unwire. Integration costs refer primarily to the costs of developing the group-wide transaction system 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 1.21 (1,63) for the quarter and SEK 5.31 SEK (4.99) for the rolling twelve months. At present, the development of adjusted EBITDA per share is below the group’s financial target of 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 32.5 percent (42.3).

Foreign exchange fluctuations affected operating profit for the quarter by SEK -2.0 million (-0.9).

Other income and expense items

Net financial expense was SEK -4.0 million (-7.6), with interest costs amounting to SEK -4.6 million (-4.0) and foreign exchange differences to SEK -0.3 million (-3.9). 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 43.1 percent (0.3). The low effective tax rate last year was attributable to utilized, non-capitalized loss carryforwards in the acquired Mblox companies. See Note 4 for a reconciliation of tax on profit for the period. Net profit for the period amounted to SEK 9.2 million (33.4).

Investments

Net investments in intangible assets and property, plant and equipment amounted to SEK 6.2 million (5.3). Investments relate primarily to capitalized development expenditure of SEK 4.7 million (5.2).

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.

On 27 March, CLX acquired 100 percent of the share capital in Unwire Communication ApS, 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. See Note 5 for further information about acquisitions.

Cash flow, liquidity and financial position

Cash flow from operating activities amounted to SEK 48.8 million (6.3). Consolidated cash and cash equivalents at 31 March 2018 amounted to SEK 92.3 million (164.6), as well as an unutilized credit facility of SEK 100 million (100).

Equity at 31 March 2018 amounted to SEK 1,520.2 million (1,494.6), corresponding to an equity ratio of 48.0 percent (49.3). Equity per share was SEK 28.34 (27.86).

Employees

The average number of employees (full-time equivalents) in the Group was 357 (317), 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 410 people during the period.

Significant events after the end of the period

- On 4 April, CLX acquired 100 percent of 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. The purchase consideration was USD 8 million on a cash- and debt-free basis, as well as a possible earnout of USD 4 million. The acquisition was financed with cash reserves. The accounting for the business combination (acquisition analysis) was not completed by the reporting date and it was thus impossible to provide certain information in this interim report.
- Thomas Heath was appointed Chief Strategy Officer, a new role at CLX, on 16 April. The new CSO will also have overall responsibility for Investor Relations.
- Oscar Werner was appointed President and CEO and of CLX Communications AB on 19 April and will take up the position on 1 September 2018. Johan Hedberg will take a new role as responsible for business development, focusing on North America.
- Anders Olin, formerly the COO of the Enterprise Division, was appointed Managing Director of Division. Robert Gerstman, the former Managing Director and a co-founder of CLX, will be the Chief Evangelist for the Division.

Enterprise Division

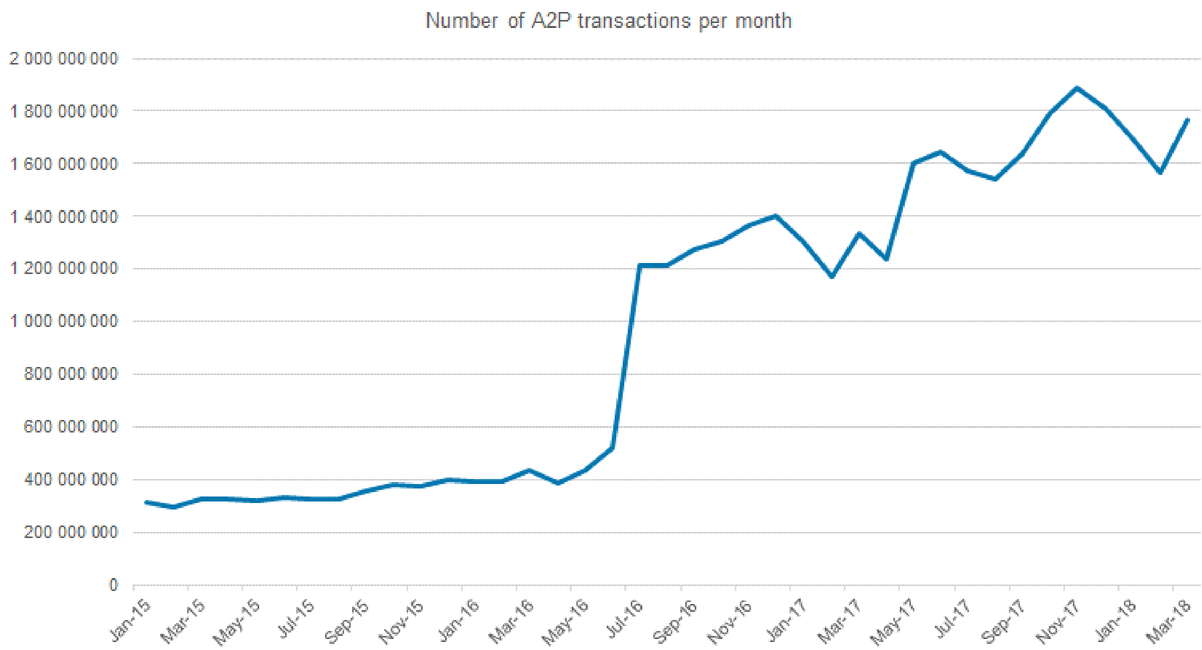
The Enterprise Division provides cloud-based communication solutions to the enterprise sector for effective communication with customers, employees and the Internet of Things (IoT).

Enterprise Division, SEK million	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Net sales	812.4	566.4	2,847.1	3,093.2
Gross profit	161.5	139.6	599.8	621.7
Gross margin	19.9%	24.7%	21.1%	19.5%
Operating profit, EBITDA	71.8	71.4	287.8	288.3
EBITDA / Gross profit	44.4%	51.1%	48.0%	46.4%
EBITDA margin	8.8%	12.6%	10.1%	8.3%

The Division's operations in A2P messaging continued developing well. Once the ongoing migration of traffic from the Mblox and Dialogue platforms to Nova is complete, focus will be on picking up the pace of organic growth in the combined customer base and realizing the profitability and growth potential brought by the acquisitions.

Net sales

During the quarter, net sales increased by SEK 246.0 million compared to the corresponding period in 2017 to SEK 812.4 million (566.4), an increase of 43 percent. Organic growth was 16 percent. Adjusted for currency effects, organic growth was 14 percent. The number of sent messages in comparable units (excluding Dialogue and Xura Secure Communications, now CLX Communications GmbH) increased by about 23 percent during the quarter compared to the corresponding 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.

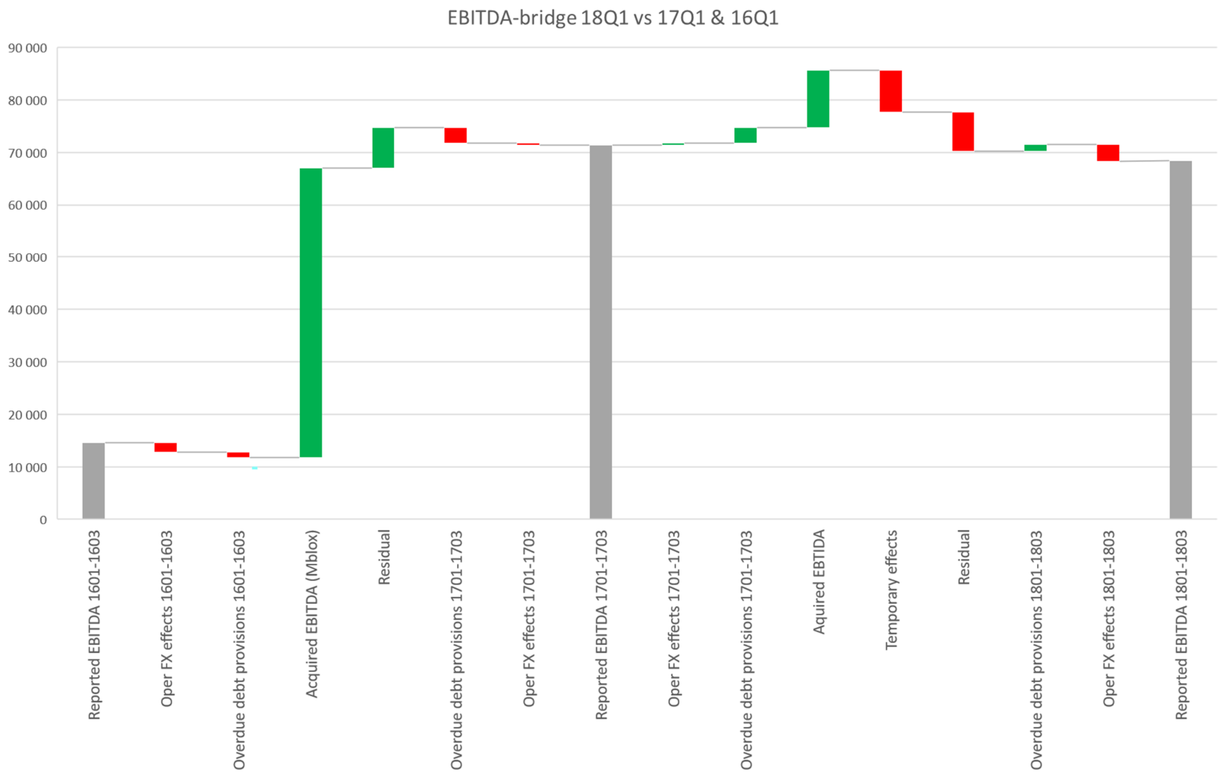


Profit

Gross profit increased during the quarter to SEK 161.5 million (139.6), an increase of 16 percent compared to the same quarter in the previous year. EBIT amounted to SEK 71.8 million (71.4). Foreign exchange fluctuations impacted the Division's operating profit during the quarter by SEK -3.2 million (-0.4).

The gross margin improved somewhat during the quarter compared to the preceding quarter, partly as an effect of certain temporary accrual effects of supplier costs, a result of the company's active acquisition strategy. The preceding quarter was affected by a strong seasonal increase in traffic to France, where the gross margin is low. The increased onward billing in relation to a large American operator that began in the third quarter of 2017 had no effect on gross profit, as the entire cost increase can be passed on to our customers, but it does reduce the gross margin. 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.

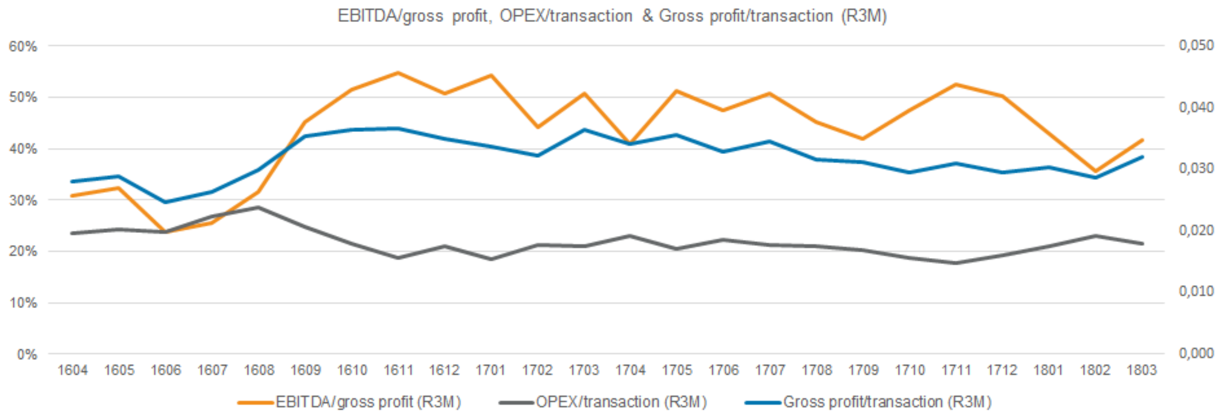
Compared to the same quarter in the preceding financial year, the previously described regulatory change in the British market will also have negative effect on gross profit and operating profit this quarter (refer to the temporary effects in the chart below). However, underlying earnings also decreased year-on-year after adjusting for that effect, which is mainly due to the high internal focus required during the period on the Nova project and ongoing customer migration.



Acquired EBITDA in 2017 includes Mblox. Acquired EBITDA 2018 includes Xura and Dialogue. Temporary effects are described above.

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. Further reductions in operating costs will be possible going forward, as the remaining synergy effects from the acquisitions of Xura and Dialogue are realized. It is the express ambition of CLX to be the market provider with the lowest operating cost per sent message.

This, combined with the fact that fees to operators vary widely between geographies, means that EBITDA is a key performance measurement in relation to gross profit. Operating costs rose during the quarter due to certain additional efforts required to complete the customer migration, but the trend remains stable for this key figure, due to increased economies of scale.



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	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Net sales	33.2	45.6	168.7	156.3
Gross profit	29.7	42.7	144.0	130.9
Gross margin	89.5%	93.8%	85.4%	83.8%
Operating profit, EBITDA	1.4	18.6	41.9	24.7
EBITDA margin	4.2%	40.8%	24.8%	15.8%

During the winter, the Operator Division saw lower than expected conversion of outstanding quotations to orders and revenue. The sales pipeline is still increasing 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 12.4 million to SEK 33.2 million (45.6). 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 13.0 million to SEK 29.7 million (42.7). EBITDA decreased by SEK 17.2 million to SEK 1.4 million (18.6).

Foreign exchange fluctuations impacted the Division's operating profit during the quarter by SEK 1.0 million (-0.4).

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.

Sinch, SEK million	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Net sales	15.0	11.4	50.2	53.8
Gross profit	8.8	8.9	36.3	36.2
Gross margin	59.0%	78.2%	72.3%	67.3%
Operating profit, EBITDA	-4.5	-4.7	-19.2	-19.1
EBITDA margin	-30.4%	-41.3%	-38.3%	-35.5%

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 delivered net sales of SEK 15.0 million (11.4) during the quarter. 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 8.8 million (8.9). EBITDA was SEK -4.5 million (-4.7). 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 0.2 million (-0.1).

Quarterly summary

CLX Group, SEK million	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018
Net sales	290.3	590.2	669.6	622.2	745.2	781.4	909.3	858.6
Gross profit	64.4	164.9	189.4	191.3	190.7	198.1	199.8	200.0
Gross margin	22.2%	27.9%	28.3%	30.7%	25.6%	25.4%	22.0%	23.3%
Operating profit, EBITDA	-1.0	28.1	68.1	70.8	49.3	67.0	76.0	53.2
EBITDA margin	-0.3%	4.8%	10.2%	11.4%	6.6%	8.6%	8.4%	6.2%

Enterprise Division, SEK million	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018
Net sales	256.6	552.8	619.1	566.4	696.7	726.2	857.9	812.4
Gross profit	32.5	130.8	142.2	139.6	149.8	148.0	162.4	161.5
Gross margin	12.7%	23.7%	23.0%	24.7%	21.5%	20.4%	18.9%	19.9%
Operating profit, EBITDA	6.8	59.8	69.2	71.4	74.7	62.7	79.1	71.8
EBITDA / Gross profit	20.9%	45.7%	48.7%	51.1%	49.9%	42.4%	48.7%	44.4%
EBITDA margin	2.7%	10.8%	11.2%	12.6%	10.7%	8.6%	9.2%	8.8%

Operator Division, SEK million	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018
Net sales	38.2	37.8	50.0	45.6	40.7	44.0	38.3	33.2
Gross profit	31.8	34.1	46.9	42.7	34.0	39.1	28.0	29.7
Gross margin	83.4%	90.3%	93.7%	93.8%	83.6%	88.9%	73.1%	89.5%
Operating profit, EBITDA	6.3	12.8	14.8	18.6	5.5	17.3	0.5	1.4
EBITDA margin	16.6%	34.0%	29.6%	40.8%	13.5%	39.4%	1.2%	4.2%

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

Items affecting comparability

CLX Group, SEK million	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018
Market listing costs	-	-	-	-	-	-	-	-
Acquisition costs	-13.0	-2.9	-1.2	-3.1	-5.7	-0.3	-0.1	-4.6
Restructuring costs	-	-35.2	-	-	-15.1	-	-	-
Integration costs	-	-5.9	-6.7	-7.0	-3.8	-4.5	-8.9	-7.2
Proceeds from sale of PSMS business	-	-	-	-	-	0.1	3.2	-
Write-down earnout Xura	-	-	-	-	-	-	11.8	-
Impairment goodwill Xura	-	-	-	-	-	-	-11.9	-
Total items affecting comparability	**-13.0**	**-44.0**	**-7.9**	**-10.1**	**-24.6**	**-4.7**	**-6.0**	**-11.8**

CLX Group, SEK million	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018
Net sales	290.3	590.2	669.6	622.2	745.2	781.4	909.3	858.6
Gross profit	64.4	164.9	189.4	191.3	190.7	198.1	199.8	200.0
Gross margin	22.2%	27.9%	28.3%	30.7%	25.6%	25.4%	22.0%	23.3%
Adjusted EBITDA	12.0	72.1	76.0	80.9	74.0	71.7	70.1	65.0
Adjusted EBITDA margin	4.1%	12.2%	11.4%	13.0%	9.9%	9.2%	7.7%	7.6%
Adjusted EBITDA / gross profit	18.7%	43.7%	40.1%	42.3%	38.8%	36.2%	35.1%	32.5%
Adjusted EBITDA per share - diluted, SEK	0.32	1.48	1.56	1.63	1.45	1.34	1.31	1.21

Condensed income statement

CLX Group, SEK million	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Net sales	**858.6**	**622.2**	**3,058.1**	**3,294.5**
Other operating income	22.5	4.5	59.5	77.6
Work performed by the entity and capitalized	4.7	5.2	17.9	17.4
Cost of goods sold and services	-658.6	-430.9	-2,278.1	-2,505.7
Other external costs	-65.5	-53.4	-243.6	-255.6
Employee benefits expenses	-83.3	-73.3	-312.6	-322.6
Other operating expenses	-25.3	-3.5	-38.1	-60.0
EBITDA	**53.2**	**70.8**	**263.2**	**245.5**
Depreciation, amortization and impairment	-32.9	-29.7	-138.3	-141.4
EBIT	**20.3**	**41.1**	**124.9**	**104.1**
Finance income	13.4	24.4	185.2	174.1
Finance expenses	-17.4	-32.1	-235.7	-221.0
Profit before tax	**16.2**	**33.5**	**74.4**	**57.2**
Current tax	-10.5	-0.3	-33.3	-43.5
Deferred tax	3.5	0.2	93.3	96.6
Profit for the period	**9.2**	**33.4**	**134.4**	**110.3**
Attributable to:				
Owners of the parent	9.1	33.2	133.9	109.9
Non-controlling interests	0.1	0.2	0.5	0.4

Earnings per share

CLX Group, SEK	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Earnings per share				
- Basic	0.17	0.67	2.58	2.07
- Diluted	0.17	0.67	2.58	2.07

Condensed statement of comprehensive income

CLX Group, SEK million	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Profit for the period	9.2	33.4	134.4	110.3
Other comprehensive income or loss				
Translation differences	30.1	1.5	26.9	55.6
Hedge accounting net investments	-17.6	-9.4	-9.3	-17.5
Tax effect on items in other comprehensive income	3.9	2.4	2.1	3.5
Other comprehensive income for the period	**16.4**	**-5.5**	**19.7**	**41.5**
Total comprehensive income for the period	**25.6**	**27.9**	**154.1**	**151.8**
Attributable to:				
Owners of the parent	25.6	27.7	153.8	151.7
Non-controlling interests	0.0	0.1	0.2	0.1

Condensed balance sheet

CLX Group, SEK million	Note	3/31/2018	3/31/2017	12/31/2017
Assets				
Goodwill		1,098.3	879.4	963.4
Customer relationships		646.4	666.4	575.9
Operator relationships		113.3	47.0	108.2
Proprietary software		124.2	97.5	112.3
Other intangible non-current assets		3.2	6.1	3.9
Tangible non-current assets		21.6	13.6	23.1
Non-current financial assets		25.6	9.8	29.2
Deferred tax assets		207.2	23.9	191.4
Total non-current assets		*2,239.7*	*1,743.7*	*2,007.3*
Tax receivables		2.0	6.3	1.7
Other current receivables		835.1	617.2	857.1
Cash and cash equivalents		92.3	106.0	164.6
Total current assets		*929.4*	*729.6*	*1,023.3*
Total assets		**3,169.1**	**2,473.3**	**3,030.6**
Equity and liabilities				
Equity attributable to owners of the parent	3	1,519.0	894.4	1,493.4
Non-controlling interests		1.2	6.0	1.1
Total equity		*1,520.2*	*900.5*	*1,494.6*
Provision for deferred taxes		215.0	307.1	196.2
Provision for restructuring costs		10.5	3.7	11.3
Other provisions		0.2	0.1	0.2
Total provisions		*225.7*	*310.9*	*207.7*
Non-current liabilities, interest bearing		481.1	489.9	387.7
Non-current liabilities, non-interest bearing		54.8	40.6	54.3
Total non-current liabilities		*535.8*	*530.5*	*442.1*
Current liabilities, interest bearing		158.2	128.1	125.7
Tax liabilities		35.8	29.9	45.1
Other current liabilities, non-interest bearing		693.4	573.5	715.5
Total current liabilities		*887.3*	*731.5*	*886.4*
Total equity and liabilities		**3,169.1**	**2,473.3**	**3,030.6**

Financial instruments measured at fair value				
Derivatives with positive fair value		1.0	0.6	1.3
Derivatives with negative fair value		2.7	0.6	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

	Attributable to owners of the parent						
CLX Group, SEK million	**Share capital**	**Other capital contributions**	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Opening balance 1 January 2017	5.0	881.5	17.1	-44.3	859.1	5.9	865.0
Total comprehensive income			-5.5	33.2	27.7	0.1	27.9
Warrants issue		7.7			7.7		7.7
Closing balance 31 March 2017	**5.0**	**889.3**	**11.6**	**-11.2**	**894.5**	**6.0**	**900.5**
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			16.4	9.1	25.6	0.0	25.6
Warrants issue		0.3			0.3		0.3
Closing balance 31 March 2018	**5.4**	**1,378.0**	**53.4**	**82.8**	**1,519.0**	**1.2**	**1,520.2**

Condensed statement of cash flows

CLX Group, SEK million	Note	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Cash flow before changes in working capital		32.5	58.4	189.2	163.3
Changes in working capital		16.3	-52.1	-138.0	-69.5
Cash flow from operating activities		**48.8**	**6.3**	**51.3**	**93.7**
Net investments in tangible and intangible assets		-6.2	-5.3	-30.2	-31.1
Change in financial receivables		-19.7	-6.4	-6.2	-19.6
Acquisition of subsidiary/net assets	5	-201.9	-144.9	-526.1	-583.1
Cash flow from investing activities		**-227.8**	**-156.6**	**-562.6**	**-633.7**
New borrowing		136.8	133.9	515.8	518.7
Amortization of bank loan		-32.6	-	-436.9	-469.5
New share issue/warrants	3	-	7.5	485.3	477.8
Cash flow from financing activities		**104.2**	**141.4**	**564.2**	**527.0**
Cash flow for the period		**-74.8**	**-8.8**	**52.9**	**-13.0**
Cash and cash equivalents at the beginning of the period		164.6	115.3	115.3	106.0
Exchange rate differences in cash and cash equivalents		2.5	-0.5	-3.7	-0.7
Cash and cash equivalents at the end of the period		**92.3**	**106.0**	**164.6**	**92.3**

Other disclosures

CLX Group, SEK million	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	R12M
Share information				
Basic earnings per share, SEK	0.17	0.67	2.58	2.07
Diluted earnings per share, SEK	0.17	0.67	2.58	2.07
Basic weighted average number of shares*	53,602,089	49,611,275	52,002,693	53,008,430
Diluted weighted average number of shares*	53,602,089	49,611,275	52,002,693	53,008,430
Number of ordinary shares at the end of the period	53,602,089	49,534,442	53,602,089	53,602,089
Total number of shares at the end of the period	53,602,089	49,534,442	53,602,089	53,602,089
Financial position				
Equity attributable to owners of the parent	1,519.0	894.4	1,493.4	1,519.0
Equity ratio	48.0%	36.4%	49.3%	48.0%
Equity per share, SEK	28.34	18.06	27.86	28.34
Net investments in tangible and intangible assets	6.2	5.3	30.2	31.1
Cash and cash equivalents	92.3	106.0	164.6	92.3
Net debt	546.9	511.9	348.8	546.9
Employees				
Number of FTEs	357	317	340	352
Percentage female	21%	20%	20%	21%
Key figures				
Operating margin, EBITDA	6.2%	11.4%	8.6%	7.5%
Operating margin, EBIT	2.4%	6.6%	4.1%	3.2%
Net margin, profit for the period	1.1%	5.4%	4.4%	3.3%

*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 and Sinch. Items below EBITDA and items affecting comparability are not allocated to the segments.

Jan - Mar 2018, SEK million	Enterprise Division	Operator Division	Sinch	Parent company, unallocated items and eliminations	Group
Revenue from customers in Europe	494.6	19.8	5.7	-	520.1
Revenue from customers in North America	170.0	-	8.1	-	178.1
Revenue from customer in the Rest of the World	147.3	12.1	1.1	-	160.5
External revenue	**811.9**	**31.9**	**14.8**	-	**858.6**
Internal revenue	0.6	1.3	0.1	-1.9	-
Gross profit	**161.5**	**29.7**	**8.8**	-0.1	**200.0**
EBITDA	**71.8**	**1.4**	**-4.5**	-15.5	**53.2**
Depreciation, amortization and impairment					-32.9
EBIT					**20.3**
Finance expenses					-4.0
Profit before tax					**16.2**

EBITDA for the parent company amounts to SEK -5.4 million. Unallocated items include acquisition costs of SEK 4.6 million and integration costs of SEK 7.2 million.

Jan - Mar 2017, SEK million	Enterprise Division	Operator Division	Sinch	Parent company, unallocated items and eliminations	Group
External revenue	**565.8**	**44.9**	**11.4**	-	**622.2**
Internal revenue	0.5	0.6	-	-1.2	-
Gross profit	**139.6**	**42.7**	**8.9**	0.0	**191.3**
EBITDA	**71.4**	**18.6**	**-4.7**	-14.4	**70.8**
Depreciation, amortization and impairment					-29.7
EBIT					**41.1**
Finance income					-7.6
Profit before tax					**33.5**

EBITDA for the parent company amounts to SEK -4.5 million. Unallocated items include acquisition costs of SEK 3.1 million and integration costs of SEK 7.0 million.

RTM Apr - Mar 2017/18, SEK million	Enterprise Division	Operator Division	Sinch	Parent company, unallocated items and eliminations	Group
External revenue	**3,090.9**	**150.2**	**53.4**	-	**3,294.5**
Internal revenue	2.3	6.1	0.4	-8.8	-
Gross profit	**621.7**	**130.9**	**36.2**	-0.1	**788.8**
EBITDA	**289.2**	**24.7**	**-19.1**	-49.3	**245.5**
Depreciation, amortization and impairment					-141.4
EBIT					**104.1**
Finance expenses					-46.9
Profit before tax					**57.2**

EBITDA for the parent company amounts to SEK -13.8 million, of which restructuring costs SEK 0.1 million. Unallocated items include acquisition costs of SEK 10.8 million, restructuring costs of SEK 15.0 million, integration costs of SEK 24.5 million, capital gain of SEK 3.3 million and write-down earnout Xura of SEK 11.8 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 7 (5) 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 - Mar 2018	Jan - Mar 2017	Jan - Dec 2017
Operating revenue	5.6	1.8	13.0
Operating costs	-11.4	-6.2	-26.2
Operating loss, EBIT	**-5.8**	**-4.5**	**-13.2**
Finance income & expenses	12.7	-17.5	-110.4
Profit/loss after financial items	**6.9**	**-22.0**	**-123.5**
Appropriations	-	-	133.6
Tax on profit/loss for the period	-1.6	4.8	-2.3
Profit/loss for the period	**5.3**	**-17.2**	**7.8**

CLX Communications AB, SEK million	3/31/2018	3/31/2017	12/31/2017
Assets			
Non-current assets	2,085.9	1,639.2	2,046.1
Current assets	182.8	20.9	186.7
Total assets	**2,268.7**	**1,660.1**	**2,232.9**
Equity and liabilities			
Equity	1,423.4	913.2	1,418.2
Untaxed reserves	8.3	6.6	8.3
Non-current liabilities	520.8	489.4	427.4
Current liabilities	316.2	250.9	378.9
Total equity and liabilities	**2,268.7**	**1,660.1**	**2,232.9**
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 the 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 under "Operating Segments" on page 18.

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 31 March 2018 amounted to SEK 402.3 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 2.7 million (5.6).

Note 3 – Incentive programs

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

Warrants	
Opening balance 1 January 2018	1,205,700
New share issue	-
Closing balance 31 March 2018	**1,205,700**
Of which in own custody	10,000

Vested warrants	
Vested as per 1 January 2018	98,785
Vested during the period	20,497
Vested as per 31 March 2018	**119,282**
Warrants not yet vested	278,218

Payroll costs for vested warrants are included in profit and loss for the period of January to March 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.

Note 4 – Reconciliation of tax on profit for the period

Reconciliation of tax expense for the year	**Jan-Mar 2018**	**Jan-Mar 2017**
Profit before tax	16.2	33.5
Tax calculated at Swedish tax rate, 22%	-3.6	-7.4
Tax effect of non-deductible expenses	-1.8	-1.3
Tax effect of non-taxable revenue	0.9	0.1
Tax on standard interest rate, tax allocation reserves	0.0	0.0
Tax effect of non-capitalized loss carryforwards	-0.6	0.0
Tax effect of use of non-capitalized loss carryforwards	-	7.6
Effect of foreign tax rates	-1.9	1.0
Tax on profit of the year according to income statement	**-7.0**	**-0.1**

Note 5 – Acquisition of group companies

Unwire

On 27 March, the acquisition of 100 percent of share capital in Unwire Communication ApS was closed 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.

Acquisition analysis

Fair value acquired net assets, SEK million	Unwire
Customer relationships	73.7
Customer relationships, PSMS	5.5
Operator relationships	3.9
Proprietary software	12.5
Tangible non-current assets	0.2
Deferred tax assets	7.8
Current assets	21.0
Cash and cash equivalents	8.0
Deferred tax liability	-21.0
Current liabilities	-32.8
Total acquired net assets	**78.7**

Allocation of purchase consideration

Purchase consideration, SEK million	Unwire
Original purchase consideration	205.3
Fair value acquired net assets	-78.7
Goodwill	**126.6**

Effects of acquisitions on consolidated cash and cash equivalents

Investing activities, SEK million	Unwire	Sinch	Dialogue
Original purchase consideration	205.3	-	-
Cash and cash equivalents in acquired entity	-8.0	-	-
Expenses directly linked to the acquisition	3.5	0.1	0.9
Effect on consolidated cash and cash equivalents from acquisitions	**200.8**	**0.1**	**0.9**

Contribution of Unwire to consolidated net sales and profit after tax

Jan - Mar 2018, SEK million	Unwire
Net sales	1.7
Profit after tax for the period	0.5

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

Jan - Mar 2018, SEK million	Unwire	Other entities	Amortization acquired assets	Total
Net sales	29.3	856.4	-	885.7
Profit after tax for the period	8.7	12.4	-2.3	18.9

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, IPO expenses, 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 expense, 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

Half-year report, January – June 2018	20 July 2018
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.

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Stockholm, 18 May 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 18 May 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.