CLX COMMUNICATIONS

CONNECTING PEOPLE AND THINGS TO
A WORLD OF INFINITE POSSIBILITIES

ANNUAL REPORT
2017

CLX
communications

CLX COMMUNICATIONS

CLX Communications (CLX) is a leading global supplier of cloud communications services and solutions for enterprises and mobile operators. Mobile communications services from CLX enable business critical communication worldwide via messaging services (SMS), voice and video services, and mobile connectivity services for IoT (Internet of Things). CLX has delivered profitable growth since it was founded in 2008 and generated sales in 2017 of more than SEK 3 billion. Profit for the year amounted to SEK 134 million. The Group is headquartered in Stockholm, Sweden, and has over 30 offices in more than 20 countries.

2,000+
ENTERPRISE CUSTOMERS

80+
OPERATOR CUSTOMERS

18 billion+
ANNUAL TRANSACTIONS

LISTED ON
Nasdaq
STOCKHOLM

Please visit us on:
www.clxcommunications.com

The annual 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.

2017 IN BRIEF

- Net sales amounted to SEK 3,058.1 million (2,333.9).
- Sales grew by 31 percent compared to previous financial year.
- EBITDA amounted to SEK 263.2 million (161.9).
- Adjusted EBITDA amounted to SEK 296.7 million (238.0).
- EBIT amounted to SEK 124.9 million (112.5).
- Profit for the year amounted to SEK 134.4 million (111.6).
- Diluted earnings per share were SEK 2.58 (2.55).

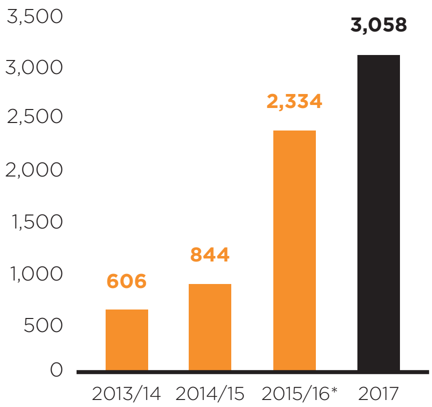
SIGNIFICANT EVENTS DURING THE PERIOD

- On 16 February 2017, CLX acquired Xura Secure Communications GmbH, one of the leading mobile messaging services providers in Germany, with a market share above 30 percent.
- CLX acquired Dialogue Group Ltd on 10 May 2017. At the time of the acquisition, Dialogue Group was one of CLX's biggest competitors, particularly in Australia and the UK. Through the acquisition, CLX has reinforced its market-leading position in the mobile cloud communications market.

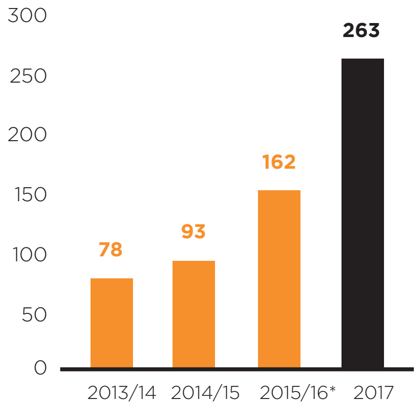
SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On 27 March 2018, CLX acquired Unwired Communication ApS, based in Copenhagen, Denmark and with 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.
- On 4 April 2018, CLX acquired Vehicle Agency LLC (Vehicle) based in Seattle US with about 10 employees. The company is specialized in technology and solutions for individualized video- and content rich media communication solutions. The purchase price was SEK 8 million on a cash- and debt-free basis with a possible earnout of USD 4 million. The acquisition was financed with own cash.
- On 18 April 2018, it was announced that the board of CLX has appointed Oscar Werner as new president and CEO of CLX Communications. He will assume his position on 1 September 2018. Johan Hedberg will take on a new role as Corporate Development Manager and remain in the Group Management team.

NET SALES, SEKM



EBITDA, SEKM



KEY FINANCIAL DATA

MSEK	2017 12 MON	2015/16* 18 MON
Net sales	**3,058.1**	2,333.9
Gross profit	**780.0**	642.3
Gross margin	**25.5%**	27.5%
EBITDA	**263.2**	161.9
EBITDA margin	**8.6%**	6.9%
EBIT	**124.9**	112.5
EBIT margin	**4.1%**	4.8%
Profit for the year	**134.4**	111.6
Diluted earnings per share, SEK	**2.58**	2.55
Cash flow from operating activities	**51.3**	107.6
Net debt	**348.8**	368.6
Debt/EBITDA ratio, multiple	**1.3**	2.3

Definitions are provided on page 34.

*1 July 2015 to 31 December 2016 was an extended financial year of 18 months due to the change of CLX's financial year to coincide with the calendar year as of 1 January 2017.

CONTENTS

HQ STOCKHOLM, SWEDEN

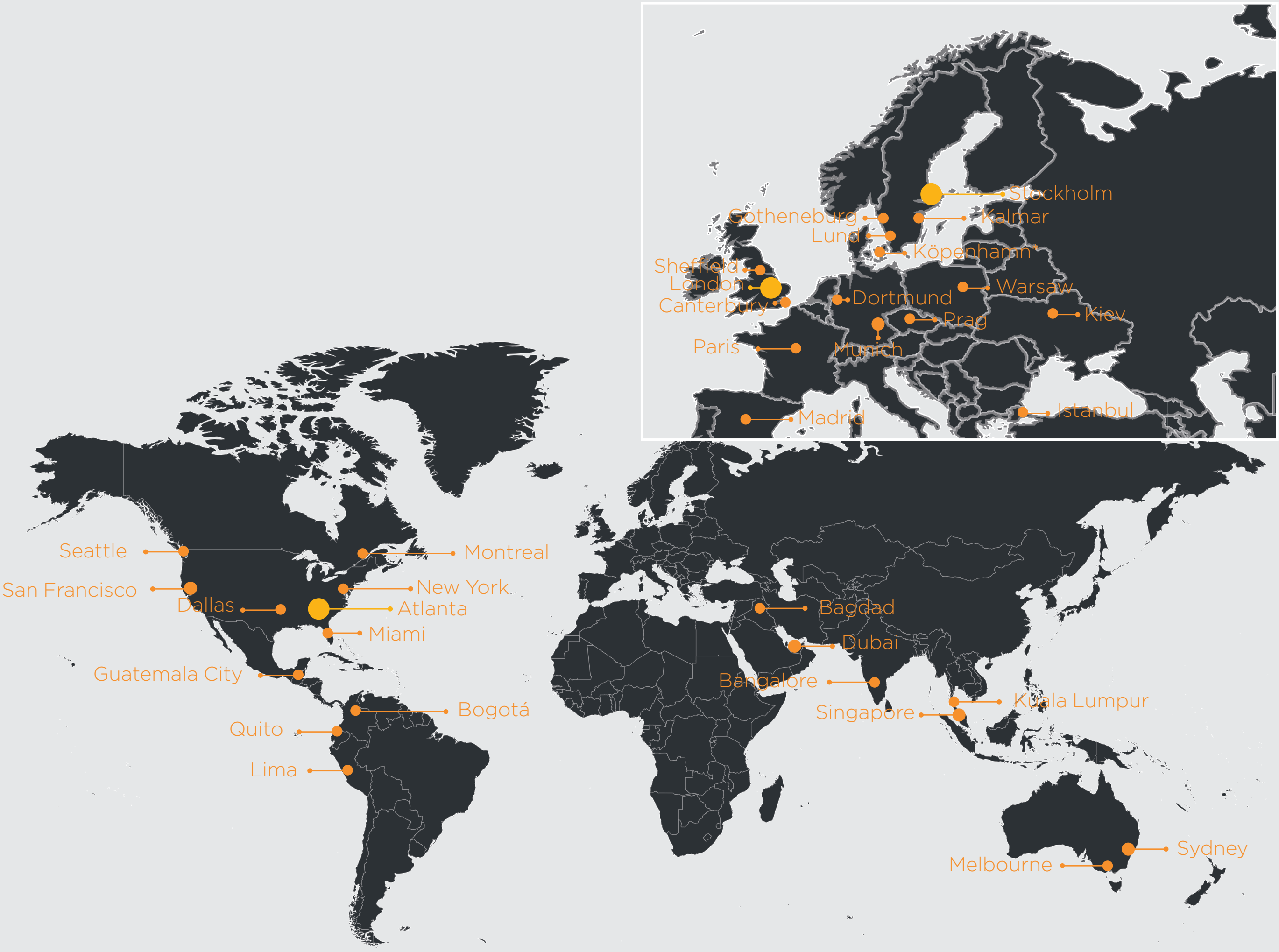
3,058 SEKM SALES IN 2017

3,873 SEKM MARKET CAP

300+ EMPLOYEES

30+ OFFICES

50,000+ DEVELOPERS

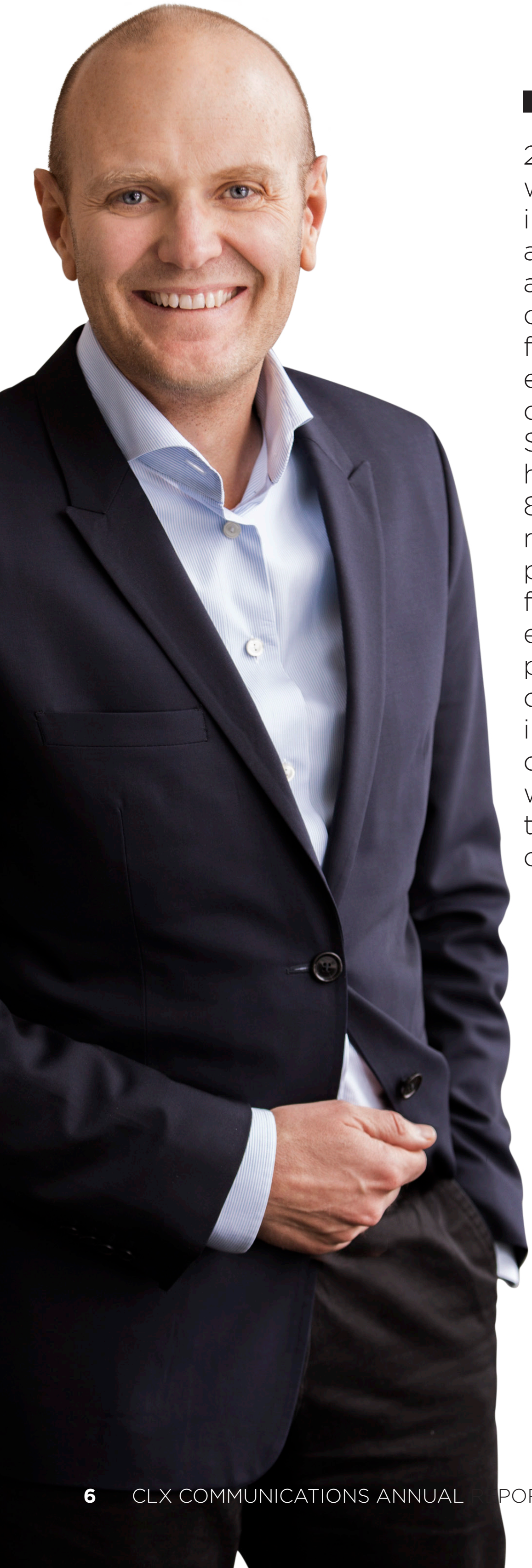


" CLX was founded on a vision to become the world's largest and leading provider in the mobile cloud communications market. With the two acquisitions last year of Xura Secure Communications GmbH and Dialogue Group Ltd, we reinforced our position as a global leader in cloud communications."

- Johan Hedberg, CEO CLX Communications AB (publ)

* From March 2018

FROM REGIONAL PRIVATE ENTERPRISE TO GLOBAL PUBLICLY TRADED COMPANY



2017 was a year in which we focused on consolidating transaction systems and migrating clients from acquired companies to a corporate technical platform, Nova, to achieve synergy gains and strengthen our position going forward. Since the IPO in 2015, CLX has grown sales from SEK 844 million to SEK 3,058 million while maintaining profitability. In 2018 and forward, we will further widen our product and service portfolio while continuing to consolidate the A2P messaging market until we achieve our vision to become the world's leading provider in the mobile cloud communications market.

We continued our international expansion in the first half of 2017 through the acquisitions of Xura in Germany and Dialogue, which has presence in Australia and Asia. In North America, eight of the ten largest American tech firms are now CLX customers. Several of these customers were brought on board in 2017 and will have impact on our revenues by mid-year or in the second half of 2018.

Organic growth declined in 2017, partly because the acquired entities did not have the same growth rate and partly because organizational focus during 2017 was on integration. However, organic expansion in North America continued and we will be able to further step up the pace in 2018 based on the strong position CLX has achieved in the market.

In addition to most of the leading global tech firms, some of the world's biggest and most demanding companies in banking, financial services, aviation, and healthcare use our services every day. In 2017, we handled 18 billion transactions: nearly four messages on average to every mobile phone in the world.

Our capacity to deliver elegant, innovative solutions to complex challenges is critical to the trust we have been given. The ability to offer high security and premium quality in the delivery of enterprise communications to their customers - wherever in the world they happen to be - is essential in the rapidly digitalized economy.

Our network of direct connections to mobile operators, which make it possible for our customers to reach more than five billion mobile device users across the globe is the foundation of our offering. Quite simply, we have the biggest and most sophisticated messaging services network in the world.

Our new platform, Nova, has been deployed and migration of the customers

" CLX's vision is to become a leading provider in the rapidly growing global market for cloud communication solutions in messaging, voice and video communications services and for IoT - Internet of Things.

of acquired companies will be successively completed in the second and third quarters of 2018. With a fully operational Nova, we will be even more efficient and will create a strong and cost-effective base for continued market consolidation.

2017 was a stable year for the Operator Division. An unusually high number of major capacity expansion projects contributed to outstanding profitability. We are continuing to invest in developing cloud solutions for mobile network operators. The Operator Division also won several awards during the year in the area of security software for mobile operators. I am looking forward to the next few years with great optimism as the Operator Division's offering evolves from traditional software license sales to solutions based on not only developing, but also managing, ongoing operation of mobile operators' business-critical systems.

MARKET TRENDS

Suppliers of Communications Platform as a Service (CPaaS) are making it possible for businesses and organizations to integrate real-time communications in the form of messaging, voice and video services with their business applications. In an increasingly digitalized world of rapid-fire innovation, enterprises must adapt to new technology to remain relevant to consumers. Consumers do not want to download and learn how to use more apps, they want more features built into the apps they already use. By using CPaaS services, enterprises can easily integrate communications into their apps in order to enhance the customer experience and create new sales opportunities or streamline internal processes.

What we have seen so far is only the beginning of an accelerating evolution. In order to successfully compete, enterprises must create user-friendly services that give customers the opportunity to acquire and receive information or buy products and services via mobile platforms.

DRIVERS OF SUSTAINED GROWTH

There are several strong arguments indicating that we have only seen the beginning of our growth journey:

- **The market is growing** and the A2P (Application to Person) communications market is still in its infancy. The market is still growing as large, global enterprises integrate communications solutions with their business support systems.
- **Cloud solutions are gaining ground** and are increasingly going to become the primary alternative when enterprises replace or build communications solutions. CLX's offering includes cloud-based interfaces for messaging, voice, video and data services that allow enterprises to easily integrate communications services with their core systems in a cost-effective, scalable and flexible way.
- **New technical solutions.** Innovation and development are among the hallmarks of the communications market. CLX is deeply involved in developing the standards and services of the future. RCS (Rich Communication Services) will be launched in 2018. Offering a richer user experience and advanced interactivity, which enables more user cases and increasing message volumes, RCS is regarded by many as "SMS 2.0."
- **Size and scalability.** We have now reached a critical mass that in our assessment gives us lower transaction costs than most of our competitors and thus cost and competitive advantages. Our business model is still scalable and we have the muscle to be active in the continued consolidation of the market.

These factors, combined with a solid financial position and an experienced, innovative and growth-oriented organization, put us in a strong position ahead as we move into the next coming years.

2018 AND BEYOND...

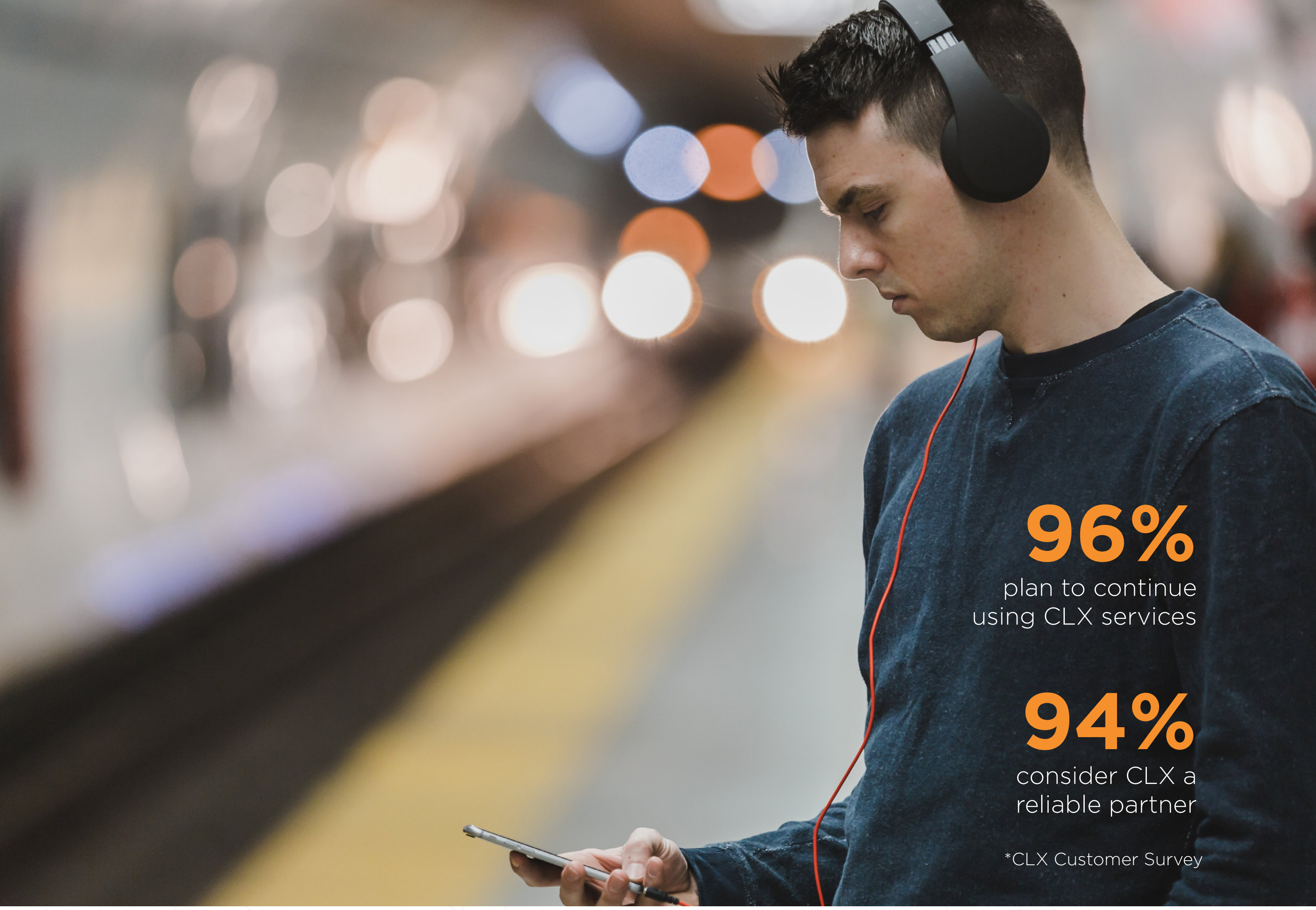
CLX's sales have more than tripled since the IPO in October 2015, without compromising profitability or quality. Our financial position is stable, giving us the opportunity for sustained growth. We have a strong and growing customer base that includes some of the biggest and most exciting companies in the world, which are rapidly adopting new communications technologies in the digitalized world.

Being the CEO of CLX Communications has been both demanding and very enjoyable. Demanding because we do business in a rapidly changing market. Enjoyable because I have the best colleagues I could have ever wished for in terms of their industry expertise, innovativeness and skill at translating brilliant ideas into sales, growth and profitability.

When I look back at 2017, I see a company that continued to grow rapidly, organically and through acquisitions, and has now taken a position as a global provider of cloud communications services. For this, my sincere thanks to my talented and driven colleagues, our customers and the company's shareholders. Now is the time to hand over, and my successor Oscar Werner has the experience and competence needed to take the company forward on this journey. I look forward to see the next chapter be written in the story of the small company from Kalmar that in ten years has grown into a global market leader.

Stockholm, 27 April 2018

Johan Hedberg
President and CEO



THE MARKET

A SWIFTLY CHANGING GLOBAL MARKET

The market for enterprise communications is going through a period of rapid evolution. Enterprise communications is shifting from traditional telecommunication solutions to internet applications. Previously, most enterprises and organizations had to buy or build complex in-house communications solutions, be it call-centers, messaging solutions, or e-mail applications, to communicate with their customers.

More recently, those communications needs are increasingly being managed by external service providers, that cater to customers of all sizes based on an increasingly wide array of easily accessible services. Using these service providers allows enterprises and organizations to deploy new and innovative customer services rapidly and cost-efficiently.

Instead of having to have communications software and hardware internally, enterprises now increasingly connect to the service providers' cloud-based, standardized APIs (Application Programming Interfaces), thereby creating sophisticated communications channels for their back-end systems, such as airline booking systems, without the need for any in-house communications technology expertise.

The same web developers that create, for example, an e-commerce site or a booking system can now also ensure that their system can communicate seamlessly and automatically with the customers via a variety of mobile first channels.

Typical examples are check-in messages for airline flights, log-in verifications using automated voice calls, or video chat functionality for support centers. Apart from being simpler to implement, this cloud-based communications model also requires minimal upfront investments. Rather, it is a pay-as-you-go model, where the buyer only pays for the services used. Finally, it is agile and can be easily adapted to changing market conditions, by adding and removing services as needed, embracing new business models, or new technologies.

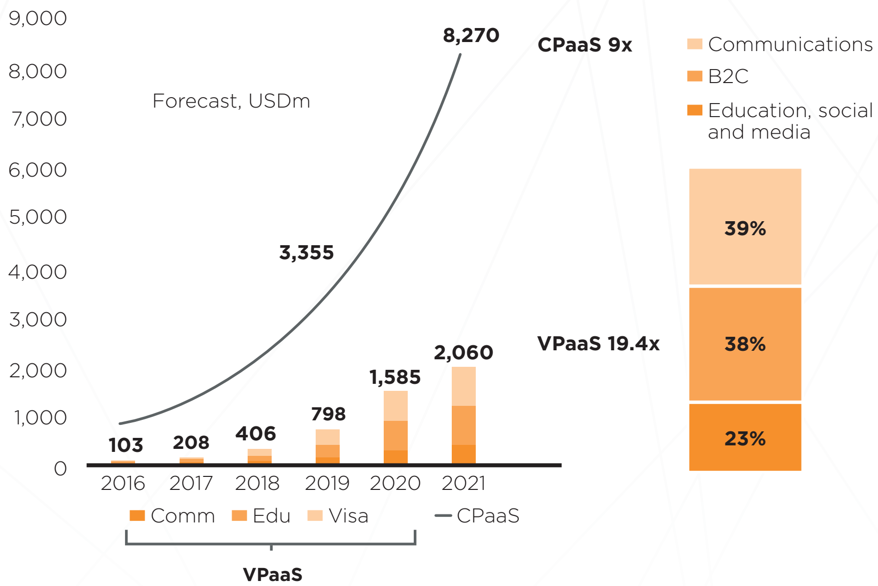
- **ONLINE**
- **24/7 SUPPORT**
- **EASY TO INTEGRATE**
- **GLOBAL**
- **PAY AS YOU**
- **SECURE**
- **FAST TIME TO MARKET**
- **EXCEPTIONAL ROI FOR CUSTOMERS**
- **LEVERAGING OTHER CLOUD TECHNOLOGIES**

The providers of these cloud-based communications services come from different backgrounds. Some have their roots in telecommunications while others started out as pure SaaS developers. Some started out in messaging, while others have deep voice expertise. However, most of them are gravitating towards the nascent market for Communications Platform as a Service, CPaaS.

CPaaS simply means that communications are being provided as a complete service, including voice, video, messaging, and data, all accessible by open API's (Application Programming Interfaces, standardized interfaces that allows simple access to the underlying software functionality) and as such the buyer no longer needs to have any in-house hardware, dedicated communications capacity or deep telecoms expertise to communicate with their customers. The CPaaS providers manage all the telecom network connections (both technically and commercially), and all the software and hardware needed to run these communications services.

The CPaaS market is projected to show solid growth for years to come. Juniper Research estimates that in 2017, the value of the CPaaS market grew by 50 percent to more than USD 1.6 billion from USD 1.1 billion in 2016. Juniper predicts the total market size will rise to USD 6.7 billion by 2022 representing a yearly growth of 35 percent. Gartner estimated the size of the CPaaS market to be USD 618 million in 2016 and forecasts a yearly growth of 50 percent reaching USD 4.63 billion by 2021. Video services are estimated to grow even faster, driven by for example cloud-based health care services.

SIZE OF THE VIDEO MARKET - A MAJOR OPPORTUNITY



The global video CPaas market is going to grow from USD 103 million in 2016 to 2.06 USD billion in 2021

That entails 82% growth and will be 24% of the total market in 2021 (IDC)

> "If you spent any time at CES 2017 like I did, this would be evident that everything is becoming video enabled."

Patrick Moorhead, Forbes

STRATEGY

A GLOBAL MARKET LEADER IN MOBILE ENTERPRISE COMMUNICATIONS

CLX's goal is to become the leading global CPaaS player. Since inception in 2008, CLX has grown to become the leading supplier of A2P (Application to Person) messaging services, enabling automated messaging from for example log-in systems to consumers in Europe, North America and Asia.

In addition to A2P messaging, CLX is adding complementary communication services to its portfolio, such as automated voice-, video-, and IoT-solutions, while also increasing the services content in the A2P messaging applications, through RCS, Rich Communications Services. These services are all offered as purely cloud-based solutions, without any need for a customer to implement any hardware or software internally.

In addition to being a CPaaS provider, through its Enterprise Division, CLX also offers software and services aimed at telecom operators, through its Operator Division. The Operator Division, which operates under the brand name Symsoft, has a strong market position globally and is regularly ranked a leading provider of core telecom systems, such as SMSCs, Charging Systems and Security solutions. These systems give existing operators market-leading functionality within messaging, security and in transforming their businesses to accessible digitally and in real time. They also enable enterprises and organizations to become mobile virtual network operators quickly and with minimal upfront cost, i.e. act as an operator towards their customers without having any of the technical expertise or infrastructure normally associated with being a telecom operator. This is a very attractive option as the Internet of Things gradually gains ground, and for examples, car manufacturers are looking for efficient ways to ensure their cars are connected to the internet, without being at the mercy of existing telecom operators. The Operator Division offers a full-service concept, where enterprises buy the entire core MVNO-platform from CLX, as a cloud based pay-as-you-go-service.

In 2017, more than 18 billion A2P messages were sent via CLX platform.

TIER 1 SUPER-NETWORK

The Group's market-leading position is based on its extensive Tier 1 Super-network, that gives it direct access to the world's 300+ leading mobile network operators (MNOs) and mobile virtual network operators (MVNOs). By routing messages via the Internet directly to the mobile network where the recipient resides at the time, CLX can ensure higher quality and a more timely and cost-efficient delivery of communications than competitors with a less extensive network. These are crucial competitive advantages for CLX's customers, as consumers expect for example, log-in verification messages to arrive within seconds rather than minutes, irrespective of where on the planet they happen to be.

Building the Tier 1 Super-network to its present size has taken close to 10 years, and more operators are added monthly, in order to achieve higher quality, lowest latency and better global coverage, without the need for unnecessary and costly message routing between different operators.

SCALABILITY AND THE IMPORTANCE OF SIZE

In 2017, more than 18 billion A2P messages were sent through CLX's platform, as well as millions of voice and video minutes. CLX has an exceptional blue-chip customer base, and can spread infrastructure and operational costs on more transactions than most other CPaaS providers, which gives us a strong competitive advantage and acts as a substantial hurdle to new market entrants. Even so, we believe in becoming even larger, both by expanding within voice, video, and data, and by consolidating the A2P messaging market. At present, there are many sub-scale, national or regional A2P providers, with a bleak long-term outlook. We continuously evaluate potential acquisition targets, in order to see whether they would add interesting customers or industry-specific functionality, while also being well suited for moving their traffic over to CLX's transaction platform, thereby creating cost synergies.

EXPANDING SERVICES PORTFOLIO

In addition to messaging services, CLX is in the process of adding new communication channels to its offering, including voice, data, and video. The aim is to be able to offer enterprises and organisations a full-service communications solution, based on the customers' needs rather than type of communication channel. New functionality is also being developed, for example specific functionality tailored for different industry verticals. Although CLX's in-depth telecommunications experience is a necessary pre-requisite for success in the CPaaS market, new software functionality is rapidly becoming a crucial competitive advantage. This is especially true in the area of reducing overall effort, cost and complexity of enabling both customers and third-party developers to easily integrate CLX's services within their products using Software Development Kits (SDK's), or create entirely new services leveraging 'Quick Start' assets. This is an area where CLX will continue to invest.

AUTOMATION

By fully integrating our network capabilities into a easy to use, self help, online offering for small to medium businesses we can automate internal processes and significantly reduce the time, complexity and cost of managing our customer and network. Ensuring all products can be managed by customers directly online will significantly streamline our operations and reduce the cost to service our customers further increasing our cost leadership.

SOME OF CLX'S OPERATOR CUSTOMERS

SOME OF CLX'S ENTERPRISE CUSTOMERS

OUR GROWTH STRATEGY

CLX's growth strategy is based on four corner-stones:

- **Direct sales** to large enterprises and organizations, such as banks, airlines, internet service providers, social networks, etc. This is achieved through a dedicated and global enterprise sales force, with in-depth industry vertical expertise.
- **Online sales** to small and medium-sized enterprises, based on a highly automated and very scalable web-based platform. The online sales channel is also particularly well suited for third-party developers, that want to add communications capabilities to their products and services, by taking advantage of CLX's functionality-rich SDKs.
- **Sales** of products and services under the **Symsoft** brand name to telecommunications operators going through a digital transformation and enterprises aiming to become MVNOs.
- **Acquisitions,** both in order to consolidate the A2P messaging market, thereby achieving further economies of scale, and in order to add new technologies, and strengthen the Group's market position in other communication channels. Even though CLX has an efficient and innovative development function, new functionality can often best be acquired from smaller software vendors, that have specialized in certain areas. CLX is evaluating such opportunities on an on-going basis.

In order to successfully execute on this growth strategy, CLX has built and operates a highly efficient and scalable transaction platform, that can handle substantially more traffic than today. CLX also aims to have the lowest operational cost per message or voice/video minute in the industry.

Starting with the acquisition of Mblox, the Group has conducted a major upgrade and expansion project of its A2P messaging platform, adding new functionality and further increasing scalability and robustness. Migration of the customer bases acquired during 2016 and 2017 to the upgraded platform, Nova, is now underway and will be ready by mid-2018. At that point, Nova will be an excellent starting point for further market consolidation, as new traffic can be added with very little incremental operational costs.

Geographically, the Group intends to further strengthen its market position within A2P messaging in North America and Asia through organic growth, both through direct and online sales. In the more mature European markets, where CLX already is the market leader in all major markets, more growth will come through acquisitions of regional players with attractive customer bases. In 2017, two such acquistions, of Dialogue Group Ltd and of Xura Secure Communications GmbH, were done. Both these acquisitions contributed substantially to CLX's growth and profit, solidified the Group's market position in Germany, the UK and Australia, and added strong bridgeheads in markets such as Pakistan, Malaysia, and Egypt.

The increasing volumes within the A2P messaging product line create the foundation for strong long-term profitability. Even though gross margins are low in some, primarily European, markets, gross profit per transaction is similar in all regions, and through large transaction volumes in combination with low operational costs, the market leaders will be able to show strong operating profits. Within its Enterprise division, CLX focuses primarily on two important operational measures; gross profit per transaction, and operating profit as a share of gross profit. A continuing increase in operating profit to gross profit shows the scalability of CLX's A2P messaging model.

The continuing consolidation of the traditional A2P messaging market creates the foundation and the cash flow to invest in new products and services, both horizontally (IP/video etcetera, voice, IoT), and vertically (software solutions based on the Nova, for example for different industry verticals), through internal development, and through acquistions.

A leading global position in A2P messaging also creates the conditions for succesful cross-selling of services to the existing customer base, i.e. bundling different services based on the functionality that customers need. For example, log-in verification is usually achieved either by messaging or by automated voice calls, and CLX aims to offer customers integrated service packages that seamlessly includes the best of either communication channel depending on a number of factors.

EMPLOYEES

WE CONNECT PEOPLE
AND THINGS FOR A WORLD OF UNIMAGINED OPPORTUNITIES

We offer solutions on the leading edge of technology that connect people and things. This is opening the door to masses of new opportunities - but our motherlode of innovation is only a small part of the CLX equation. Our employees are at least an equally important part of the equation, perhaps the most important part of all.

In order to develop and further develop the optimal solutions for our clients, we at CLX must challenge each other, inspire each other and have fun together. That is fundamental. And that is why we are always looking for people of outstanding expertise whom we believe complement and fit into our teams.

Being able to balance professionalism, self-distance, passion, coffee-mainlining, hard work and the ability to have a good time together is also important That is why we have formulated our values - which we always try to live up to. They are provided a bit further down the page, but first, we have tried to explain what we mean and how they work together. In other words, what do they *actually* mean?

For us at CLX, it is important to **listen and learn.** That is why we have a non-hierarchical, flat organization in which we avoid office politics and work together instead. Being open-minded and accepting are vital character traits that shape a good team. Because, in the end, we are all working towards a single objective - to become the biggest and the best provider of cloud communications services.

The capacity to **listen and learn** works hand-in-hand with the ability to **empower each other**. That is why we arrange regular sessions at CLX, where we share our knowledge and experience. In this way, we enhance our creativity and that also helps us grow together in **a global network**.

CLX's employees are spread across more than 20 countries and speak more than 40 different languages combined. So, diversity comes naturally to us at CLX, and we take gender equality seriously in an industry in which women are, unfortunately, hugely underrepresented. That is a change we are fighting for every single day - and that is why we strive to always have a woman candidate in every new recruitment process, and for the candidate to be interviewed by both a woman and a man during the process.

Our working approach is to be agile and flexible, and we are always looking one step ahead in order to drive change, regardless of whether that involves technology or making a better world for more people. So, there is no question that we should continue supporting charitable social projects like Hand in Hand, which is working to increase woman-owned business, and Habitat for Humanity, which supports the most deprived communities in the world by building houses for people who have never had homes of their own. This is a natural part of our values in order to **embrace and drive change.**

As a whole, our values are driving us to become a continuously improved and revitalized CLX - a CLX that is a trusted partner. A CLX that proactively offers value-creating, cost-conscious solutions.

We are a CLX that is focused on the customer experience and always seeks to exceed expectations.

COUNTRIES

20+

countries where the people of CLX are working all over the world

LANGUAGES

40 +

different languages spoken by the people of CLX

> ”As a whole, our values are driving us to become a continuously improved and revitalized CLX.

CLX COMPANY VALUES

OFFER A FIRST-CLASS CUSTOMER EXPERIENCE
Provide solutions proactively, always exceed customer expectations.

BE COST-CONSCIOUS
Be smart, act smart. Drive value creation with a culture of thriftiness.

LISTEN AND LEARN
Be open, humble and learn to continuously improve.

EMBRACE AND DRIVE CHANGE
Be agile, flexible and act fast. Think ahead and drive change.

A GLOBAL NETWORK
Think big and act local. We are part of a global ecosystem.

EMPOWER OTHERS
Share knowledge and give guidance to feed creativity. We grow and succeed together.

MANAGEMENT REPORT

The board of directors and chief executive officer of CLX Communications AB (publ), company registration number 556882-8908, herewith submit the annual report and consolidated financial statements for the operations of the Group and the parent company for the financial year beginning 1 January and ending 31 December 2017. Unless otherwise stated, amounts are reported in thousands of Swedish kronor (SEKk). Terms such as "CLX," "the company," "the Group," and comparable refer in all cases to the parent company, CLX Communications AB, and its subsidiaries.

BUSINESS AND ORGANIZATION

CLX Communications AB was founded, under the name Seitse 1 Holding AB, on 1 February 2012 and has been listed on Nasdaq Stockholm since 8 October 2015.

CLX is a leading 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 people and connected devices, swiftly, securely, and cost-effectively. CLX solutions enable business critical communication worldwide via mobile messaging services (SMS), voice services, and mobile data services.

The CLX Enterprise Division provides enterprise cloud communications services. CLX has agreements with leading global mobile operators that give enterprises access to five billion mobile phone users worldwide.

The CLX Operator Division develops software solutions for mobile operators that make it possible for them to offer modern communications services to consumers and businesses. CLX software is provided both as a product and as a service. CLX offers a complete service platform to virtual mobile network operators, which allows them to focus exclusively on their value propositions and customer relationships.

Sinch provides communications services developed in-house that are focused on voice and video applications for mobile devices. These include verification and anonymization services for mobile apps.

SUSTAINABILITY REPORT

In accordance with the Annual Accounts Act, Chapter 6, Section 11, CLX has chosen to establish the statutory sustainability report separate from the annual report. The sustainability report can be found on pages 78-84 in this document.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Acquisition of Xura

The acquisition of 100 percent of the share capital in Xura Secure Communications GmbH (Xura) was finalized on 16 February 2017 and Xura was included in the consolidated financial statements from that date.

Xura is based in Munich and had 16 employees at 31 December 2016. Xura had net sales of EUR 25.6 million and EBITDA of EUR 1.9 million in 2016. The purchase consideration was EUR 14.7 million on a cash- and debt-free basis. Please refer to Note 34 for further information about the acquisition of Xura.

Acquisition of Dialogue

The acquisition of 100 percent of the share capital in Dialogue Group Ltd (Dialogue) was finalized on 10 May 2017 and Dialogue was included in the consolidated financial statements from that date.

Dialogue is headquartered in Sheffield, UK and the company had 49 employees as of acquisition date. During the period of March 2016 to February 2017, Dialogue had net sales of approximately GBP 36.7 million and EBITDA of approximately GBP 5.2 million. The purchase consideration was GBP 32.0 million on a cash- and debt-free basis. Please refer to Note 34 for further information about the acquisition of Dialogue.

Acquisition of minority in Caleo

On 4 July 2017, CLX acquired the remaining 33 percent of the share capital in Caleo Technologies AB from the minority owners. Caleo develops software that CLX sells as part of its offering to operators under the Symsoft brand.

The purchase consideration was SEK 5.7 million and was paid in cash. The purchase agreement includes two conditional earnouts based on sales of the company's license to new customers. The anticipated outcome amounts to SEK 7.2 million and has been recognized as a liability. Please refer to Note 34 for further information about the acquisition of Caleo.

Rights issue

As authorized by the annual general meeting held 19 May 2017, a directed issue of 4,067,647 new shares was executed on 31 May at a subscription price of SEK120 per share.

The issue was carried out to reduce debt and strengthen CLX's capacity for future acquisitions.

The new issue raised SEK 488.1 million before issue costs of SEK 8.0 million after tax.

New financing

CLX increased its credit facilities by GBP 12.5 million to finance the acquisition of Xura and GBP 32.7 million to finance the acquisition of Dialogue. The loan of GBP 32.7 million was repaid in full in August 2017 with a portion of the proceeds of the rights issue executed in May. Please refer to Note 22 for further information about repayment and interest terms and conditions.

Divestment of mobile payments business

The mobile payments business in Australia and New Zealand was divested on 5 September 2017. Under the terms of the agreement, CLX will receive a portion of the gross profits generated by the divested business for 36 months. The capital gain amounted to SEK 0.1 million.

The mobile payments business in the UK and Ireland was divested on 11 October 2017. Under the terms of the agreement, CLX will receive a portion of the gross profits generated by the divested business for 36 months. The capital gain amounted to SEK 3.2 million.

The mobile payments business was included in the acquisition of Dialogue. Following the divestments, all mobile payments operations have been discontinued.

CLX GROUP OVERVIEW

CLX GROUP SEKM	2017 12 MON	2015/16 18 MON	CHANGE
Net sales	3,058.1	2,333.9	31%
Gross profit	780.0	642.3	21%
Gross margin	25.5%	27.5%	
EBITDA	263.2	161.9	63%
EBITDA margin	8.6%	6.9%	
Adjusted EBITDA	296.7	238.0	25%
Adjusted EBITDA margin	9.7%	10.2%	
EBIT	124.9	112.5	11%
EBIT margin	4.1%	4.8%	
Adjusted EBIT	170.3	188.6	-10%
Adjusted EBIT margin	5.6%	8.1%	
Profit for the year	134.4	111.6	20%
Cash flow from operating activities	51.3	107.6	-52%
Cash and cash equivalents	164.6	115.3	43%

Please see page 34 for a list and definitions of financial measurements defined or not defined under IFRS, as well as operating measurements.

Net sales

Consolidated net sales grew during the 2017 financial year by 31 percent to SEK 3,058.1 million (2,333.9) compared to previous financial year.

Growth during the year was primarily attributable to acquired growth in the Enterprise Division. As the preceding financial year was an extended period of 18 months, organic growth was negative.

Gross profit

Consolidated gross profit rose during the 2017 financial year by 21 percent to SEK 780.0 million (642.3) compared to previous financial year. The gross margin declined from 27.5 percent to 25.5 percent.

The gross margin was affected factors including growth in the French market, where the gross margin is lower, as well as increased onward billing by an American operator. The company is still prioritizing growth to achieve global scale advantages on the customer and product sides.

Operating profit

EBITDA grew during the 2017 financial year by 63 percent to SEK 263.2 million (161,9) compared to previous financial year. EBIT increased during the 2017 financial year by 11 percent to SEK 124.9 million (112.5) compared to previous financial year.

Operating profit for 2017 includes acquisition costs, capital gains, income from the adjusted earnout for Xura, impairment of goodwill in Xura and integration and restructuring costs of SEK 45.3 million net. The previous year's operating profit included market listing costs and integration and restructuring costs of SEK 76.1 million net. Adjusted for these items, EBITDA amounted to SEK 296.7 million (238.0) and EBIT to SEK 170.3 million (188.6).

Net financial expense

Net financial expense amounted to SEK -50.5 million (8.9), with interest costs amounting to SEK -17.9 million (-8.1) and foreign exchange differences to SEK -33.9 million (15.5).

Tax

Tax on year's profit amounted to SEK 60.0 million (-9.8), with an effective tax rate of -80.0 percent (8.1).

Tax for the year has been affected by lowered corporate tax rate in the United States from 34 percent to 21 percent effective 1 January 2018. This gave a positive net effect on deferred tax assets and deferred tax liability of SEK 40.8 million. Additionally, SEK 46.0 million in previously non-capitalized loss carryforwards were capitalized in the United Kingdom. For further information of items affecting tax on profit for the year, please see Note 11.

Profit for the year

Consolidated gross profit increased during the 2017 financial year by 20 percent to SEK 134.4 million (111.6) compared to previous financial year.

Cash flow and liquidity

Cash flow from operating activities amounted to SEK 51.3 million (107.6).

Investments in intangible and property, plant and equipment amounted to SEK 30.2 million (34.0). The investments refer primarily to capitalized development expenditure of SEK 17.9 million (22.7) and hardware and equipment related to relocation of offices in Sweden and the United States.

At the end of the period, the Group had SEK 164.6 million in cash (115.3) and an unused overdraft facility of SEK 100 million (100).

ENTERPRISE DIVISION

ENTERPRISE DIVISION SEKM	2017 12 MON	2016 12 MON	2015/16 18 MON
Net sales	2,847.1	1,658.7	2,080.8
Gross profit	599.8	336.3	406.4
Gross margin	21.1%	20.3%	19.5%
EBITDA	287.8	151.7	173.6
EBITDA margin	10.1%	9.1%	8.3%

Net sales

The Enterprise Division delivered consistently good performance in 2017 and is experiencing powerful growth. Net sales increased by 72 percent to SEK 2,847.1 million (1,658.7) year-on-year.

The Division has continued developing its A2P messaging business, largely through the acquisitions of Xura Secure Communications in Germany and Dialogue in the United Kingdom, Australia and Asia.

Profit

Gross profit increased by 78 percent to SEK 599.8 million (336.3) year-on-year. The gross margin amounted to 21.1 percent (20.3).

EBITDA rose to SEK 287.8 million (151.7) year-on-year. The EBITDA margin increased to 10.1 percent (9.1).

OPERATOR DIVISION

OPERATOR DIVISION SEKM	2017 12 MON	2016 12 MON	2015/16 18 MON
Net sales	168.7	163.8	260.9
Gross profit	144.0	147.4	235.6
Gross margin	85.4%	90.0%	90.3%
EBITDA	41.9	46.4	80.0
EBITDA margin	24.8%	28.3%	30.7%

Net sales

Net sales in the Operator Division increased by 3 percent to SEK 168.7 million (163.8) year-on-year.

The launch of the CLX Managed Service offering has attracted great interest from existing and potential customers. 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.

Profit

Gross amounted to SEK 144.0 million (147.4) year-on-year.

EBITDA amounted to SEK 41.9 million (46.4) year-on-year. The EBITDA margin was 24.8 percent (28.3).

SINCH

SINCH SEKM	2017 12 MON	2015/16 18 MON*
Net sales	50.2	1.4
Gross profit	36.3	0.9
Gross margin	72.3%	62.8%
EBITDA	-19.2	0.6
EBITDA margin	-38.3%	43.3%

*Sinch was acquired on 20 December 2016 and is included in the consolidated accounts from that date.

Net sales

Net sales amounted to SEK 15.3 million (1.4). 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 companies within CLX.

Profit

Gross profit amounted to SEK 36.3 million (0.9) and the gross margin was to 72.3 percent (62.8). EBITDA amounted to SEK -19.2 million (0.6).

RESEARCH AND DEVELOPMENT

CLX develops software within several parts of its operations. Main development occurs in the Operator Division, whose platform has been deployed by numerous mobile operators worldwide. The platform is also the basis of the Enterprise Division's cloud communications service. Most development is done in the Development Department in Stockholm and elsewhere in Sweden, but also in Canada.

Important development work in progress includes the IoT initiative and the corporate Nova platform.

Development expenses are capitalized as specified in Note 1 and are amortized over 3 years. Capitalized expenses, relating to own development work, during the year amounted to SEK 17.9 million (22.7).

Expenses for research and development recognized during the year amount to SEK 51.1 million (66.8).

THE ENVIRONMENT

CLX's core business - software development and management of digital transactions - has very limited environmental impact. CLX has impact on the environment mainly through travel and hardware operation and decommissioning. CLX aims to minimize this impact by replacing travel with online communications to the extent possible and by choosing the mode of transport that has the least possible environmental impact, such as train travel. The company also aspires to send outmoded hardware for recycling.

EMPLOYEES

During the period, the Group employed an average of 340 people (199). Women make up 20 percent of the workforce (17). The average age of the workforce is 40 (40).

The company applies a rigorous recruitment process and uses both its own networks and external expertise to attract talents. We select our employees with care and are proud to have some of the best and most experienced people in the business working for us. Our business is dependent upon every individual contributing and assuming responsibility for their own work. It is critically important to recruit motivated employees with the potential to advance within the company.

CLX has employees in five parts of the world and broad representation of employees of diverse background. CLX believes differences can generate competitive advantages. Mixing diverse backgrounds, skills, experience, talents, qualifications, and personalities in an inclusive organization helps us understand the needs of the entire market.

The company will continue to grow and recruit within our growth areas and expand support functions where required.

Guidelines for compensation to senior management personnel

Compensation to the CEO and other senior management personnel must reflect CLX's need to recruit and motivate qualified employees by means of compensation packages perceived as fair and competitive. The Board of Directors is empowered to depart from the guidelines below if special reason exists.

Compensation consists of the following components:

- Fixed base pay
- Short- and long-term variable pay
- Pension benefits
- Other benefits
- Pay during period of notice of termination or resignation

BASE PAY AND VARIABLE PAY

Fixed pay must be market-based and reflect the employee's position, qualifications, experience, and individual performance. Variable pay must be measured against predefined financial performance targets. Non-financial objectives may also be used to sharpen focus on achieving the Group's strategic plans. Objectives must be specific, clear, measurable, subject to deadlines, and adopted by the board of directors. Variable pay may not exceed 30 percent of fixed base pay.

Long-term variable pay may encompass share-related incentive programs. Each year, the board of directors evaluates whether a long-term share-related incentive program should be proposed to the annual general meeting. The purpose of offering a share-related incentive program is to ensure that the interests of senior executives coincide with those of the company's shareholders. Individual, long-term ownership among key individuals can be expected to stimulate keener interest in the business and its profitability, increase motivation, and enhance the sense of belonging with the company.

PENSIONS

Pension benefits for the CEO and other senior management personnel must reflect customary market terms, compared with that which generally applies to executives in comparable positions with other companies, and should normally be based upon defined contribution pension plans.

OTHER BENEFITS

Other employee benefits must consist primarily of health insurance and fitness/wellness programs. Other benefits may also include generally accepted compensation in connection with employment or transfer abroad of a senior executive.

PAY DURING PERIOD OF NOTICE

If the company terminates the CEO's employment, the period of notice shall be a maximum of six months. If the CEO resigns, the period of notice shall be six months.

A period of notice applies between the company and other senior management personnel of three to six months, whether the employee resigns or is terminated.

RISKS AND RISK MANAGEMENT

CLX is exposed to a number of risks that may impact the Group's business, earnings and financial position. CLX continuously evaluates, identifies, and manages the risks to which the company is exposed. The risks assessed as most material to the company are described below.

Risks attributable to the company, its operations and the industry

MACROECONOMIC FACTORS

CLX does business in several markets around the world. As a result, CLX is affected, like other companies, by general economic, financial, and political developments at the international level.

DOWNTIME AND COMPARABLE

CLX relies on its technical systems and its infrastructure to deliver services and solutions to its customers. The company's operations may be obstructed by damage or breakdowns in the company's technical systems, infrastructure, and software and may be affected by faults in a customer's, mobile operator's, or service supplier's network, system, infrastructure, software, or hardware. This can cause loss of revenue as well as existing and potential customers, which may have material adverse impact on CLX's business, earnings and financial position.

TECHNICAL SHORTCOMINGS

The services and solutions that CLX delivers to its customers are complex by nature and may contain significant shortcomings or faults. Any shortcomings in functionality or shortcomings that cause interruptions in the availability of CLX's services and solutions, including user errors, may lead to loss of or delayed market acceptance and usage of the company's services and solutions. This may also lead to warranty claims, issuance of customer credits, or refund of prepaid charges for unused services, loss of customers, or reallocation of resources to development and customer service. Finally, such shortcomings may damage CLX's reputation.

STRATEGIC PARTNERSHIPS

CLX's services and solutions are dependent upon third parties, mobile operators in particular. CLX relies on mobile operators' telecommunications networks in order to provide connectivity in various regions and countries around the world. If CLX does not successfully establish or maintain direct uplinks to mobile operators, or if mobile operators terminate their agreements and relationships with CLX, CLX may not be able to attract new customers, existing customers may experience interruptions in service deliveries, and the company's costs for purchasing network capacity from its mobile operators may rise. These circumstances can have material impact on the company's reputation and profitability and may cause serious adverse impact on CLX's business, earnings and financial position.

MARKET CHANGES

The market for enterprise cloud communications is changing rapidly in pace with technical progress, the availability of new or alternative services, and changing customer requirements, which may require significant investments in research and development. The company is dependent upon its ability to adapt to this rapidly changing market by improving the functionality and reliability of existing services and solutions through development, launch, and marketing of new functions, services, solutions, and customizations to meet customer demands.

INTELLECTUAL PROPERTY

CLX is dependent upon protection of its intellectual property such as copyright, brands, and trade secrets. Such protection is gained through legislation and agreements (primarily license and non-disclosure agreements) with customers, employees, partners, and other parties. However, measures CLX takes to protect its intellectual property could prove to be inadequate and do not prevent competitors from copying or reverse engineering the company's services and solutions or independently developing and marketing services that are comparable or better than the company's. Furthermore, a third party might successfully contest, object to, invalidate, or circumvent the intellectual property that the company uses in its business.

ACQUISITIONS

Acquisitions are executed in accordance with a uniform and predefined corporate process in four documented phases: strategy, evaluation, execution and integration.

Due diligence is performed in the evaluation phase to identify and review the risks associated with the acquired business. There is, however, risk that due diligence reviews will be inadequate or impaired by gaps or shortcomings. If any of the risks should come to pass, it could have material negative impact on CLX's business, earnings and financial position.

The organizations of acquired entities are integrated into CLX's organization. Such integration may entail difficulties caused for instance by differences in corporate culture. Uncertainty related to possible organizational changes may also result in key individuals leaving the organization or to loss of customers. Integration processes are time-consuming for management and often entail delays, meaning that CLX's management may not be able to allocate the time necessary to manage CLX's ongoing operations and focus on the issues that arise in that context. If any of the risks should come to pass, it could have material negative impact on CLX's business, earnings and financial position.

DEPENDENCE UPON KEY INDIVIDUALS

CLX is dependent upon management personnel and other key individuals, including a skilled sales force and software developers with detailed knowledge about the company and the industry.

PROJECT LOSSES

A portion of CLX's sales are the result of projects carried out at a fixed price. Revenues from fixed-price contracts are recognized with reference to the stage of completion. In order to ensure that CLX's projects are carried out efficiently and within budget, the company relies on experts in project management, in particular with regard to project pricing, time allocation, and achieving optimal performance. In practice, poor project management and erroneous cost estimates may have material adverse impact on CLX's business, earnings and financial position.

CURRENCY RISKS

Currency risk refers to the risk that fluctuations in exchange rates will have adverse impact on CLX's cash flow, income statement, and balance sheet. The company's presentation currency is SEK. CLX is a global operation, which entails significant cash flows in currencies other than SEK. Thus, fluctuations in exchange rates may have material adverse impact on CLX's business, earnings and financial position. Please refer to Note 32 for further information.

TAX RISKS

CLX operates through subsidiaries in several countries. Intragroup transactions take place in accordance with CLX's internal pricing policy and in conformance with CLX's understanding or interpretation of applicable tax law, taxation agreements, other tax rules, and the requirements of relevant tax authorities. CLX's tax position, with regard to the current and earlier years, may change due to a decision by a tax authority or as a consequence of changes in laws, treaties, or other regulations. These decisions or changes, which may have retroactive effect, may cause material adverse impact on CLX's business, earnings or financial position.

SHARE PERFORMANCE AND OWNERSHIP STRUCTURE

The share

CLX's stock was listed on Nasdaq Stockholm on 8 October 2015. The introduction price was SEK 59 per share. The share is traded under the stock symbol CLX.

Share capital

Share capital in CLX Communications AB amounts to SEK 5,360,208.90 (4,953,444.20) divided among 53,602,089 outstanding shares (49,534,442). All shareholders have equal rights to a share in the company's assets and profit. The quotient value of the shares is 0.10 (0.10). Please refer to Note 21 for further information about the development of the share capital.

Dividend

CLX's target is to distribute at least 30 percent of profit for the year. The board will consider CLX's financial position, cash flow, acquisition opportunities and outlook prior to proposing any distribution of dividends. The board of directors has proposed that no dividend should be distributed for the 2017 financial year (-).

Shareholders

At the end of the financial year, CLX had about 2,300 shareholders. The ten largest shareholders combined owned 85.5 percent of equity in CLX.

The company is not aware of any agreement between shareholders that limits their rights to transfer their shares.

Largest shareholders as of 31 December 2017

NAME	NUMBER OF SHARES	% OF EQUITY
Neqst D1 AB	9,808,201	18.3
Cantaloupe AB	8,925,596	16.7
Fourth National Swedish Pension Fund	5,013,168	9.4
Swedbank Robur	5,013,168	9.3
Kjell Arvidsson AB	4,544,430	8.5
Första AP-fonden (First National Swedish Pension Fund)	3,442,372	7.4
Handelsbanken fonder	2,656,303	5.0
Alecta Pensionsförsäkring, ömsesidigt	2,642,372	4.9
Salvis Investment Ltd.	2,231,232	4.5
Catella fonder	1,020,933	1.9
Total	**45,804,566**	**85.5**
Other shareholders	7,797,523	14.5
Total shares outstanding	**53,602,089**	**100.0**

SHARE PRICE PERFORMANCE

Instrument turnover 2017, including OTC, Nasdaq Stockholm

Turnover	Volume, no. of shares	No. of trades	Average daily turnover	Average daily volume	Average daily no. of trades	Traded days
1,066,484,424	11,071,384	42,903	4,248,942	44,109	171	100%

Instrument turnover compared to total turnover during 2017 on Nasdaq Stockholm

Turnover velocity, share	Turnover velocity, Stockholm	% of Stockholm total turnover	Total Stockholm turnover, billion
19%	48%	0.02%	4,274

Prices during 2017, (adjusted) Nasdaq Stockholm, SEK

Volume-weighted average price	Highest price paid	Highest price paid date	Lowest price paid	Lowest price paid date
96.55	139.00	28 June	63.25	15 December

Market Cap, last trading day of the year

Number of shares	Share price	Market cap
53,602,089	72.25	3,872,750,930

Price development during 2017, Nasdaq Stockholm, SEK

Latest paid, previous year	Adjusted latest paid, previous year	Latest paid, current year	Adjusted latest paid, current year	% Change, share	% Change, OMX Stockholm index
97.00	97.00	72.25	72.25	-26%	6%

10 most active brokers during 2017

Broker	Turnover	Market share, turnover	Number of trades	Market share, number of trades
Carnegie Investment Bank AB	255,579,275	23.96%	2,710	6.32%
Danske Bank A/S	177,887,239	16.68%	929	2.17%
Skandinaviska Enskilda Banken AB	125,185,178	11.74%	5,154	12.01%
Avanza Bank AB	85,505,131	8.02%	7,070	16.48%
Svenska Handelsbanken AB	70,018,038	6.57%	2,350	5.48%
Nordnet Bank AB	59,700,899	5.60%	4,017	9.36%
Neonet Securities AB	47,458,842	4.45%	1,389	3.24%
Nordea Bank AB (publ)	46,451,344	4.36%	1,035	2.41%
Morgan Stanley & Co. International plc	31,188,070	2.92%	2,811	6.55%
Merrill Lynch International	28,505,509	2.67%	3,771	8.79%

Please note that all figures are in local currency and single counted. The market shares are calculated according to the official guidelines.

Turnover Velocity is calculated as: ((Turnover during period / Average market cap during period) * 250) / Number of listed days.

Latest Paid is the latest paid at the last trading day of the year.

Traded Days means number of days with trades divided by number of listed days.

"Volume Weighted Average Price is the Turnover divided by Volume during the period, taking into account trades updating the average daily price (trades executed in continuous trading and within the spread)."

Adjusted Latest Paid is the latest paid price adjusted for corporate actions.

OUTLOOK

CLX is well-positioned to benefit from the strong growth in the market for enterprise cloud communications. The company operates in an attractive segment of the market in which CLX links enterprises and mobile operators and its customers include both mobile operators and enterprises. CLX flexible and robust platform contributes to ensuring that the company is well-equipped to meet its customers' present and future communications needs.

CLX does not issue forecasts.

PARENT COMPANY

The parent company's operations consist only of certain group management functions. At the end of the period, the parent company had 7 (5) employees. The average number of employees during the period was 7 (5).

- Net sales amounted to SEK 13.0 million (7.4)
- The operating loss was SEK -13,2 million (-28.8)
- Net profit for the period amounted to SEK 7.8 million (49.5).
- Equity amounted to SEK 1,418.2 million (922.8)
- Net investments in intangible assets and property, plant and equipment amounted to SEK 6.5 million (0)

Please refer to the management report for the Group for further information concerning the parent company's operations, financial position, and performance.

PROPOSED ALLOCATION OF PROFIT

The board of directors will propose to the annual general meeting that no dividend is distributed for the financial year of 2017.

The following non-restricted equity in the parent company is at the disposal of the annual general meeting, SEK:

Share premium reserve	1,351,754,881
Retained earnings	53,244,342
Profit for the year	7,820,787
Total	**1,412,820,010**

The Board of Directors proposes that profit be allocated as follows, SEK:

Carried forward to the share premium reserve	1,351,754,881
Retained	61,065,129
Total	**1,412,820,010**

INCOME STATEMENT

CONSOLIDATED

	NOTE	2017 12 MON	2015/16 18 MON
Net sales	3	**3,058,079**	**2,333,937**
Other operating expenses	4	59,547	40,834
Work performed by the entity and capitalized	14	17,872	22,729
Cost of goods and services sold		-2,278,064	-1,691,626
Other external expenses	5,6,7	-243,555	-211,368
Employee benefits expenses	8	-312,561	-281,744
Other operating expenses	4	-38,143	-50,819
EBITDA		**263,174**	**161,943**
Depreciation, amortization and impairments	14,15	-138,263	-49,455
EBIT		**124,911**	**112,488**
Financial income	9	185,229	105,072
Finance expenses	9	-235,698	-96,176
Profit before tax		**74,443**	**121,384**
Current tax	11	-33,310	-35,727
Deferred tax	11	93,284	25,911
Profit for the year		**134,417**	**111,568**
Attributable to:			
Owners of the parent		133,948	111,324
Non-controlling interests		469	244
Earnings per share, SEK			
Basic	12	2.58	2.58
Diluted	12	2.58	2.55

STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED

	NOTE	2017 12 MON	2015/16 18 MON
Profit for the year		134,417	111,568
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss for the period			
Translation differences		26,817	34,995
Hedge accounting, net investment		-9,318	-10,354
Tax effect of items in other comprehensive income	11	2,050	-7,521
Other comprehensive income for the year		**19,549**	**17,120**
Comprehensive income for the year		**153,967**	**128,688**
Attributable to:			
Owners of the parent		153,710	128,641
Non-controlling interests		257	47

BALANCE SHEET

CONSOLIDATED

	NOTE	31 DEC 2017	31 DEC 2016
Assets			
Non-current assets			
Goodwill	13	963,383	803,634
Customer relationships	14	575,862	613,665
Operator relationships	14	108,218	46,426
Proprietary software	14	112,258	92,712
Other intangible assets	14	3,923	8,426
Property, plant and equipment	15	23,073	14,166
Financial assets	16	29,224	11,413
Deferred tax assets	17	191,395	29,626
Total non-current assets		**2,007,336**	**1,620,069**
Current assets			
Inventory		3,980	40
Accounts receivable	18	683,747	372,400
Tax assets		1,660	6,613
Other current receivables	19	61,232	30,202
Accrued income and prepaid expenses	20	108,096	177,913
Cash and cash equivalents	33	164,588	115,342
Total current assets		**1,023,303**	**702,510**
Total assets		**3,030,639**	**2,322,579**
Equity and liabilities			
Equity	21		
Share capital		5,360	4,953
Other capital contributions		1,377,702	881,542
Reserves		36,682	16,920
Profit and loss brought forward including profit for the year		73,661	-44,348
Equity attributable to owners of the parent		**1,493,405**	**859,067**
Non-controlling interests		1,148	5,890
Total equity		**1,494,552**	**864,957**
Non-current liabilities			
Deferred tax liabilities	17	196,232	290,149
Other non-current liabilities, interest-bearing	22	387,722	413,856
Other non-current liabilities, non-interest-bearing	23	54,340	40,600
Total non-current liabilities		**638,294**	**744,605**
Current liabilities			
Advance payments from customers		22,073	15,184
Provision for restructuring	24	11,258	8,895
Accounts payable		259,416	259,073
Tax liabilities		45,148	29,948
Other current liabilities, interest-bearing	25	125,682	70,091
Other current liabilities, non-interest-bearing	26	25,542	29,468
Accrued expenses and prepaid income	27	408,674	300,358
Total current liabilities		**897,793**	**713,017**
Total equity and liabilities		**3,030,639**	**2,322,579**

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED

	SHARE CAPITAL	OTHER CAPITAL CONTRI-BUTIONS	RE-SERVES	RETAINED EARNINGS	TOTAL EQUI-TY ATTRIB-UTABLE TO OWNERS OF THE PARENT	NON-CON-TROLLING INTERESTS	TOTAL EQUITY
Opening balance at 1 July 2015	**54**	**174,999**	**-397**	**-138,079**	**36,577**	**4,879**	**41,456**
Profit for the year				111,324	111,324	244	111,568
Other comprehensive income			17,317		17,317	-197	17,120
Bonus issue	3,189			-3,189	0		0
Non-cash issue	89	83,841			83,930		83,930
Rights issue	1,621	622,702			624,323	964	625,287
Issue expenses, net after tax				-14,404	-14,404		-14,404
Closing balance at 31 December 2016	**4,953**	**881,542**	**16,920**	**-44,348**	**859,067**	**5,890**	**864,957**
Profit for the year				133,948	133,948	469	134,417
Other comprehensive income			19,762		19,762	-212	19,550
Acquisition of minority interest in Caleo				-7,901	-7,901	-4,999	-12,900
Warrants		8,449			8,449		8,449
Rights issue	407	487,711			488,118		488,118
Issue expenses, net after tax				-8,038	-8,038		-8,038
Closing balance at 31 December 2017	**5,360**	**1,377,702**	**36,682**	**73,661**	**1,493,405**	**1,148**	**1,494,552**

CASH FLOW STATEMENT

CONSOLIDATED

	NOTE	2017 12 MON	2015/16 18 MON
Cash flow from operating activities			
Profit before tax		74,443	121,384
Adjustment for non-cash items	33	140,315	61,160
Income tax paid		-25,583	-9,374
Cash flow from operating activities before changes in working capital		**189,175**	**173,170**
Change in inventories		-2,555	175
Change in accounts receivable		-204,555	-159,848
Change in other current receivables		75,706	-48,669
Change in accounts payable		-41,588	-71,643
Change in other current liabilities		35,084	214,426
Cash flow from operating activities		**51,268**	**107,611**
Investing activities			
Acquisition of intangible assets	14	-17,894	-27,867
Acquisition of property, plant and equipment	15	-12,334	-6,141
Change in financial receivables		-6,248	-1,369
Acquisition of subsidiaries, net effect on cash and cash equivalents	34	-526,117	-1,018,012
Cash flow from investing activities		**-562,593**	**-1,053,389**
Financing activities			
New borrowing	22	515,802	468,807
Amortization of bank loan	22	-436,712	-79,851
Amortization, financial leasing liability		-161	-
Amortization of debt to ultimate parent before IPO		-	-971
Rights issue	21	485,317	605,858
Consideration paid, Caleo, previously recognized as liability	34	-	-4,669
Cash flow from financing activities	33	**564,246**	**989,174**
Cash flow for the year		**52,921**	**43,396**
Cash and cash equivalents at the beginning of the financial year		115,342	70,974
Exchange rate differences in cash and cash equivalents		-3,675	972
Cash and cash equivalents at the end of the financial year	33	**164,588**	**115,342**

INCOME STATEMENT

PARENT COMPANY

	NOTE	2017 12 MON	2015/16 18 MON
Net sales		**13,013**	**7,430**
Other operating expenses	4	134	429
Operating expenses			
Other external expenses	5,6	-22,403	-20,644
Employee benefits expenses	8	-3,558	-15,847
Other operating expenses	4	-51	-191
Operating loss before depreciation, amortization and impairments		**-12,864**	**-28,823**
Depreciation, amortization and impairments	14,15	-317	-
Operating loss		**-13,181**	**-28,823**
Profit from investments in group companies	9	-	20,000
Interest income and similar profit items	9	82,632	106,730
Other interest income and similar profit items	9	-192,994	-33,420
Profit/loss after net financial income/expenses		**-123,543**	**64,487**
Appropriations	10	133,641	-6,578
Profit before tax		**10,097**	**57,909**
Tax on profit for the year	11	-2,276	-8,404
Profit for the year [1)]		**7,821**	**49,505**

[1)] Profit for the year coincides with comprehensive income for the year.

BALANCE SHEET

PARENT COMPANY

	NOTE	31 DEC 2017	31 DEC 2016
Assets			
Non-current assets			
Intangible assets	14	248	350
Property, plant and equipment	15	6,255	-
Financial assets			
Investments in group companies	16	530,230	530,105
Non-current receivables, group companies	16	1,509,409	1,128,972
Total financial assets		**2,039,639**	**1,659,077**
Total non-current assets		**2,046,142**	**1,659,427**
Current assets			
Receivables from group companies		179,384	9,009
Other current receivables	19	2,113	177
Accrued income and prepaid expenses	20	5,222	805
Cash and bank balances	33	10	21,210
Total current assets		**186,729**	**31,201**
Total assets		**2,232,871**	**1,690,628**
Equity and liabilities			
Equity			
Share capital	21	5,360	4,953
Total restricted equity		**5,360**	**4,953**
Share premium reserve		1,351,755	856,539
Retained earnings		53,244	11,777
Profit for the year		7,821	49,505
Total non-restricted equity		**1,412,820**	**917,821**
Total equity		**1,418,180**	**922,774**
Untaxed reserves	26	**8,307**	**6,578**
Non-current liabilities			
Liabilities to credit institutions	22	387,441	413,413
Earnout, Sinch	23,34	40,000	40,000
Total non-current liabilities		**427,441**	**453,413**
Current liabilities			
Accounts payable		3,649	1,585
Tax liabilities		3,937	4,216
Liabilities to group companies		242,327	220,635
Liabilities to credit institutions	25	125,682	70,091
Other current liabilities	26	979	683
Accrued expenses and prepaid income	27	2,369	10,653
Total current liabilities		**378,943**	**307,863**
Total equity and liabilities		**2,232,871**	**1,690,628**

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Opening balance at 1 July 2015	**54**	**149,996**	**29,369**	**179,419**
Profit for the year			49,505	49,505
Bonus issue	3,189		-3,189	0
Non-cash issue	89	83,841		83,930
Rights issue	1,621	622,702		624,323
Issue expenses, net after tax			-14,404	-14,404
Closing balance at 31 December 2016	**4,953**	**856,539**	**61,281**	**922,773**
Profit for the year			7,821	7,821
Warrants		7,505		7,505
Rights issue	407	487,711		488,118
Issue expenses, net after tax			-8,038	-8,038
Closing balance at 31 December 2017	**5,360**	**1,351,755**	**61,065**	**1,418,180**

CASH FLOW STATEMENT

PARENT COMPANY

	NOTE	2017 12 MON	2015/16 18 MON
Cash flow from operating activities			
Profit/loss after net financial income/expenses		-123,544	64,487
Adjustment for non-cash items	33	-50,557	16,185
Income tax paid		-289	-399
Cash flow from operating activities before changes in working capital		**-174,391**	**80,273**
Change in other current receivables		-176,727	-9,578
Change in accounts payable		3,357	1,674
Change in other current liabilities		20,965	-80,847
Cash flow from operating activities		**-326,795**	**-8,478**
Investing activities			
Acquisition of intangible assets		-22	-350
Acquisition of property, plant and equipment		-6,448	-
Change in financial receivables, group companies		-380,436	-1,128,972
Acquisitions of subsidiaries	34	-126	-56,225
Cash flow from investing activities		**-387,032**	**-1,185,547**
Financing activities			
Bank loans raised	22	515,802	468,807
Amortization of bank loan	22	-436,712	-79,851
Amortization of debt to ultimate parent before IPO		-	-971
Change in financial liabilities, group companies		-7,150	220,546
Rights issue		485,317	605,858
Group contribution received		135,370	-
Cash flow from financing activities		**692,627**	**1,214,389**
Cash flow for the year		**-21,200**	**20,364**
Cash and cash equivalents at the beginning of the financial year		21,210	846
Cash and cash equivalents at the end of the financial year	33	**10**	**21,210**

MULTI-YEAR REVIEW

CONSOLIDATED

INCOME STATEMENT, SEKM	2017 12 MON	2015/16 18 MON	2014/15 12 MON	2013/14 12 MON	2012/13 17 MON
Net sales	3,058.1	2,333.9	844.4	605.5	478.5
Cost of goods and services sold	-2,278.1	-1,691.6	-592.5	-372.6	-252.6
Gross profit	**780.0**	**642.3**	**251.9**	**232.9**	**225.9**
Other revenue	59.5	40.8	29.6	13.8	19.2
Work performed by the entity and capitalized	17.9	22.7	3.3	3.8	5.8
Employee benefits expenses	-312.6	-281.7	-124.7	-102.3	-121.1
Other expenses	-281.7	-262.2	-66.9	-70.0	-65.9
EBITDA	**263.2**	**161.9**	**93.1**	**78.3**	**63.9**
Depreciation, amortization and impairments	-138.3	-49.5	-4.4	-2.0	-1.2
EBIT	**124.9**	**112.5**	**88.7**	**76.2**	**62.7**
Financial income	185.2	105.1	0.9	0.6	0.6
Financial expenses	-235.7	-96.2	-19.8	-32.8	-38.4
Profit before tax	**74.4**	**121.4**	**69.8**	**44.1**	**25.0**
Tax	60.0	-9.8	-16.8	-10.8	-7.7
Profit for the year	**134.4**	**111.6**	**52.9**	**33.3**	**17.2**
Attributable to:					
Owners of the parent	133.9	111.3	53.2	33.3	17.2
Non-controlling interests	0.5	0.2	-0.3	0.0	-

BALANCE SHEET, SEKM	31 DEC 2017	31 DEC 2016	30 JUN 2015	30 JUN 2014	30 JUN 2013
Intangible assets	1,763.6	1,564.9	65.9	54.5	50.1
Property, plant and equipment	23.1	14.2	4.7	1.7	1.4
Financial assets	29.2	11.4	2.6	-	-
Deferred tax assets	191.4	29.6	0.2	4.4	0.8
Current assets excluding cash and cash equivalents	858.7	587.2	189.8	192.2	167.3
Cash and cash equivalents	164.6	115.3	71.0	55.9	61.0
Total assets	**3,030.6**	**2,322.6**	**334.2**	**308.7**	**280.6**
Equity	1,494.6	865.0	41.5	-128.3	-161.7
Non-current liabilities	638.3	744.6	94.3	308.8	345.4
Current liabilities	897.8	713.0	198.5	128.3	96.9
Total equity and liabilities	**3,030.6**	**2,322.6**	**334.2**	**308.7**	**280.6**

CASH FLOW STATEMENT, SEKM	2017 12 MON	2015/16 18 MON	2014/15 12 MON	2013/14 12 MON	2012/13 17 MON
Cash flow from operating activities	51.3	107.6	94.9	-5.1	46.6
Cash flow from investing activities	-562.6	-1,053.4	-9.8	13.5	14.4
Cash flow from financing activities	564.2	989.2	-70.2	-13.5	-
Cash flow for the year	**52.9**	**43.4**	**14.9**	**-5.1**	**61.0**
Cash and cash equivalents at the beginning of the financial year	115.3	71.0	55.9	61.0	0.1
Exchange rate differences in cash and cash equivalents	-3.7	1.0	0.2	0.1	-0.1
Cash and cash equivalents at the end of the financial year	**164.6**	**115.3**	**71.0**	**55.9**	**61.0**

KEY DATA	2017 12 MON	2015/16 18 MON	2014/15 12 MON	2013/14 12 MON	2012/13 17 MON
Return on equity, %	11.4	24.6	-121.8	-23.0	-10.7
Return on total assets, %	5.0	8.4	16.5	11.3	6.1
Gross margin, %	25.5	27.5	29.8	38.5	47.2
EBITDA margin, %	8.6	6.9	11.0	12.9	13.4
EBIT margin, %	4.1	4.8	10.5	12.6	13.1
Net margin, %	4.4	4.8	6.3	5.5	3.6
Equity/assets ratio, %	49.3	37.2	12.4	-41.6	-57.6
Net debt, SEKm	348.8	368.6	8.9	245.6	278.2
Debt/EBITDA ratio, multiple	1.3	2.3	0.1	3.1	4.4
Interest coverage ratio, multiple	7.1	14.2	4.5	2.3	1.6

SHARE DATA	2017 12 MON	2015/16 18 MON	2014/15 12 MON	2013/14 12 MON	2012/13 17 MON
Total shares outstanding at the end of the financial year	53,602,089	49,534,442	1,081,081	1,000,000	1,000,000
Equity per share, SEK	27.86	17.34	33.83	33.30	17.23
Weighted average shares outstanding, before dilution*	52,002,693	42,706,358	34,853,978	34,853,978	34,853,978
Weighted average shares outstanding, after dilution*	52,002,693	43,212,236	34,892,690	34,853,978	34,853,978
Basic earnings per share, SEK	2.58	2.58	1.53	0.96	0.49
Diluted earnings per share, SEK	2.58	2.55	1.52	0.96	0.49
Dividend per share, SEK	0	0	0	0	0

*Historic average number of shares restated after split and new issues for comparison.

DEFINITIONS

DEFINITIONS OF FINANCIAL TERMS, PERFORMANCE MEASUREMENTS AND OPERATING MEASUREMENTS

FINANCIAL MEASUREMENTS DEFINED UNDER IFRS:

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.

Gross profit
Net sales less the cost of goods and services sold.

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-regular 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:

Return on equity
Profit or loss for the year divided by average total equity.

Return on total assets
Profit or loss for the year divided by average total assets.

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 divided by the number of shares at the end of the period.

Average total assets
Total assets at the end of the preceding year plus total assets at the end of the current year divided by two.

Average total equity
Total equity at the end of the preceding year plus total equity at the end of the current year divided by two.

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.

Debt/EBITDA ratio
Net debt divided by EBITDA.

Equity/assets ratio
Equity as a percentage of total assets.

Interest coverage ratio
EBIT + interest income divided by interest expenses.

Operating profit, EBIT
Profit for the period before financial income, financial expenses 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-regular recurring items such as capital gains/losses, IPO expenses, acquisition costs, integration costs and restructuring costs.

Adjusted EBIT
EBIT adjusted for items affecting comparability.

Adjusted EBITDA
EBITDA 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.

OPERATING 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.

ITEMS AFFECTING COMPARABILITY	2017 12 MON	2015/16 18 MON
IPO costs	-	-11,198
Acquisition costs	-9,270	-17,112
Restructuring costs	-15,048	-35,166
Integration costs	-24,239	-12,659
Capital gain divestment mobile payments business	3,317	-
Adjustment liability earnout Xura	11,752	-
Total items affecting comparability	**-45,347**	**-76,135**

RECONCILIATION ADJUSTED EBITDA	2017 12 MON	2015/16 18 MON
EBITDA	263,174	161,943
IPO costs	-	11,198
Acquisition costs	9,270	17,112
Restructuring costs	15,048	35,166
Integration costs	24,239	12,659
Capital gain divestment mobile payments business	-3,317	-
Adjustment liability earnout Xura	-11,752	-
Adjusted EBITDA	**296,662**	**238,078**

RECONCILIATION ADJUSTED EBIT	2017 12 MON	2015/16 18 MON
EBIT	124,911	112,488
IPO costs	-	11,198
Acquisition costs	9,270	17,112
Restructuring costs	15,048	35,166
Integration costs	24,239	12,659
Capital gain divestment mobile payments business	-3,317	-
Adjusted liability earnout Xura	-11,752	-
Impairment goodwill Xura	11,859	-
Adjusted EBIT	**170,258**	**188,623**

RECONCILIATION NET DEBT	31 Dec 2017	31 Dec 2016
Non-current liabilities, interest-bearing	387,722	413,856
Current liabilities, interest-bearing	125,682	70,091
Cash and cash equivalents	-164,588	-115,342
Net debt	**348,816**	**368,605**

RECONCILIATION INTEREST COVERAGE RATIO	2017 12 MON	2015/16 18 MON
EBIT	124,911	112,488
Interest income	2,495	1,518
EBIT + interest income (1)	127,406	114,006
Interest expenses (2)	17,916	8,054
Interest coverage ratio, (1) divided with (2)	**7.1**	**14.2**

NOTES

NOTE 1 – ACCOUNTING POLICIES

GENERAL INFORMATION

CLX Communications AB (publ), corporate registration number 556882-8908 is a public limited liability company incorporated in Sweden and domiciled in Stockholm. The address of the company's headquarters is Lindhagensgatan 74, 112 18 Stockholm, Sweden. The business of the company and its subsidiaries ("CLX" or "the Group") comprises mobile messaging services for enterprises and development and sales of software that supports messaging services.

COMPLIANCE WITH LAWS AND STANDARDS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as adopted by the EU. The Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Groups have also been applied. The parent company and the Group apply the same accounting policies, except where specified below under "Parent company accounting policies".

MEASUREMENT BASES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

Assets and liabilities are recognized at historical cost, other than certain financial instruments measured at fair value.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The parent company's functional currency is the Swedish krona, which is also the presentation currency for the parent and the Group. Accordingly, the financial statements are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest thousand.

JUDGMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparation of financial statements in accordance with IFRS requires management to make judgments and estimations and make assumptions that affect the application of the accounting policies and the recognized amounts of assets, liabilities, revenues and costs. The actual outcome may differ from these estimations and judgments.

The estimations and assumptions must be reviewed regularly. Changes of estimations are reported in the period the change is made if the change only affected this period, or in the period the change is made and future periods if the change affects both the current and future periods.

Key sources of estimation uncertainty

The sources of estimation uncertainty outlined below refer to such that entail a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue

CLX applies successive revenue recognition to commitments in projects of a fixed-price nature and makes continuous provisions for any risks and non-conformances. These estimations are based on past experience and other factors deemed reasonable under the circumstances. Actual outcome may differ from these estimations if other commitments are made or other circumstances exist.

Portions of consolidated sales originate from large and complex projects under fixed-price contracts. Projects are recognized in revenue successively as they are completed. The percentage of completion is determined based on services performed at the reporting date pro rata to the total performance. Estimation of the percentage of services performed is based on the total costs of the respective project. If an inaccurate estimation of the percentage of completion is made, this may result in erroneous reporting of consolidated sales and profit.

A sensitivity analysis shows that a changed assessment of the percentage of completion of 10 percentage points may have an effect on earnings of SEK 7,437 thousand (10,172).

Accounts receivable

Accounts receivable are reported net of provisions for doubtful receivables. The net value corresponds to the value expected to be received. The expectations are based on circumstances known at the reporting date. An altered financial position of a significant customer could result in a different valuation The Group monitors the financial stability of its customers and the conditions under which they operate in order to estimate the probability of payment of individual claims. The total provision for doubtful accounts receivable at 31 December 2017 was SEK 1,925 thousand (17,619) or 1.6 percent (4.5) of total accounts receivable.

Impairment test of goodwill

In the calculation of cash generating units' recoverable value for the assessment of possible goodwill impairment, several assumptions about future conditions and estimations of parameters have been made. These are disclosed in Note 13. As understood by the description in Note 13, changes in the conditions for these assumptions and estimations could have material effect on the value of goodwill.

Tax

Significant estimations are made in order to measure both current and deferred tax liabilities and tax assets and particularly the value of deferred tax assets. Consequently, the company must estimate the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. The actual outcome may differ from these estimations for reasons including changes in the future business climate, amendments to tax rules or the outcome of an audit by the tax authority of submitted tax returns.

As of 31 December 2017, the carrying amount of deferred tax assets was SEK 191,395 thousand (29,626) and the carrying amount of deferred tax liabilities was SEK 199,232 thousand (290,149).

NEW AND AMENDED IFRS AND INTERPRETATIONS

To the extent new or amended standards and interpretations are not described below, CLX has determined that these will have no impact on the financial statements.

NEW AND AMENDED IFRS AND INTERPRETATIONS NOT YET EFFECTIVE

A number of new or amended standards and interpretations will not become effective until the next reporting period or later and have not been early adopted in the preparation of these financial statements. There is no plan to early adopt new standards or amendments that become effective for annual periods subsequent to 2018. To the extent new or amended standards and interpretations are not described below, CLX has determined that these will have no impact on the financial statements.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement*, effective 1 January 2018. IFRS 9 provides new requirements for classification and measurement of financial instruments. Determination of the measurement category to which a financial asset must be classified is based on the entity's business model (the objective of holding the financial asset) and upon the contractual cash flows of the asset. The new standard also contains new rules for estimating loss allowances (impairment testing) for financial assets, by which the former "incurred loss model" was replaced by a new "expected loss model."

The new rules on impairments in IFRS 9 are based on a three-step approach where recognition of loss allowances are governed by changes in the credit risk of financial assets. In other words, it is no longer required that a default event must have occurred before a loss allowance is recognized. However, the standard simplifies the rules applicable to accounts receivable and leasing receivables. Under these rules, an allowance for credit losses may be recognized immediately and no estimation of changes in credit risk is required.

As regards to hedge accounting, the three types of hedge accounting models currently included in IAS 39 (cash flow hedges, fair value hedges and hedges of net investments) are retained. IFRS 9, however, provides greater flexibility as to the transactions to which hedge accounting can be applied. The standard expands opportunities to hedge risk components of non-financial items and permits more types of instruments to be included in a hedging relationship. Moreover, the quantitative hedge effectiveness requirement of 80–125% has been eliminated.

Analysis of the effects of the introduction of IFRS 9 has been completed and management's conclusion is that IFRS 9 will have no material impact on the Group's financial statements.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 Revenue from Contracts with Customers will supersede IAS 18 Revenue and IAS 11 Construction Contracts and application is mandatory from 1 January 2018. IFRS 15 introduces a five-step model for revenue recognition that is based on when control over goods or services is passed to the customer. The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There is considerably more guidance in IFRS 15 for specific areas and the disclosure requirements are extensive.

The clarification in IFRS 15 Revenue from Contracts with Customers addresses the areas of identification of performance obligations, principal versus agent considerations, licensing and transition rules pertaining to contractual amendments and completed contracts.

CLX has decided against early adoption of IFRS 15. CLX has analyzed the potential effects of IFRS 15 by identifying and analyzing the Group's significant revenue streams. The conclusion of the analysis is that the transition to IFRS 15 will have no material impact on CLX's financial statements. Selection of a transition model was therefore not required. It should, however, be noted that IFRS 15 contains extended disclosure requirements regarding revenue, which will expand the contents of disclosures in the notes to the financial statements.

IFRS 16 LEASES

IFRS 16 *Leases* will supersede IAS 17 *Leases* and application is mandatory from 1 January 2019. IFRS 16 requires the lessee to report virtually all leases on the statement of financial position (balance sheet). Consequently, leases will no longer be classified as other operational or financial. The underlying asset in the lease is recognized in the statement of financial position. In subsequent periods, the right-of-use asset is carried at cost less accumulated depreciation and impairment, if any, and adjusted for any remeasurement of the lease liability. The lease liability is recognized in the statement of financial position and is continuously recognized at amortized cost less the amount of lease payments made. The lease liability is subsequently remeasured to reflect changes in items including the lease term, residual value guarantees and future lease payments. The income statement will be affected through that present operating expenses attributable to operational leases will be replaced by depreciation and interest expenses. Short-term leases (12 months or less) and leases where the underlying asset has a low value do not have to be recognized in the balance sheet. These will be recognized in operating profit in the same way as the present operational leases.

The most significant leases in terms of value are rental agreements for office premises. Analysis of the effects of the implementing IFRS 15 is in progress. It is too early to quantify the effects of implementing IFRS 16, but the implementation will have impact on aspects including key figures used in covenant calculations in existing financing agreements.

In management's opinion, other new and amended standards and interpretations that have not yet taken effect will have no material impact on the consolidated financial statements upon first-time adoption.

CLASSIFICATIONS

Non-current assets and liabilities comprise in all material respects amounts expected to be recovered or paid more than twelve months after the reporting date. Current assets and liabilities comprise in all material respects amounts expected to be recovered or paid less than twelve months after the reporting date.

OPERATING SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and for which financial information is available. An operating segment's results are subsequently reviewed by the entity's chief operating decision maker in order to assess the performance of and allocate resources to the operating segment. Please refer to Note 2 for further information concerning the division and presentation of operating segments.

CONSOLIDATION POLICIES

Subsidiaries

Subsidiaries are entities that CLX Communications AB controls. Control exists if CLX Communications AB has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights and whether de facto control exists are taken into account when assessing whether control exists. Subsidiaries are reported using the acquisition method of accounting. This means that an acquisition of a subsidiary is viewed as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is determined by means of an acquisition analysis in conjunction with the acquisition. The cost of the shares or the business is determined in the analysis, as well as the acquisition-date fair values of acquired identifiable assets and assumed liabilities and contingent liabilities. The cost of shares in the subsidiary or the business corresponds to the sum of the acquisition-date fair values of assets transferred, liabilities incurred or obligations assumed and the equity interests issued in exchange for the acquired net assets. Acquisition-related transaction costs are recognized directly in profit for the year. In a business combination where the cost exceeds the fair value of acquired assets and assumed liabilities and contingent liabilities that are recognized separately, the difference is recognized as goodwill. When the difference is negative, it is recognized directly in profit for the year. The financial statements of subsidiaries are included in the consolidated financial statements from acquisition date until the date control no longer exists.

Transactions eliminated upon consolidation

Intragroup receivables and liabilities, revenues and costs and unrealized gains or losses arising from intragroup transactions between group companies are eliminated in their entirety when the consolidated financial statements are prepared.

FOREIGN CURRENCY

Transactions in foreign currency

Transactions denominated in foreign currency are translated to the functional currency at the exchange rate prevailing at the date of the transaction. The functional currency is the currency of the primary economic environment in which the entity operates. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate prevailing on the reporting date. Exchange differences arising in the translations are recognized in profit and loss. Non-monetary assets and liabilities carried at historical cost are translated at the exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities carried at fair value are translated to the functional currency at the exchange rate prevailing when the fair values were determined.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the functional currency of the foreign operation to the presentation currency of the Group, SEK, at the exchange rate prevailing at the reporting date. Revenues and costs in a foreign operation are translated to SEK at an average rate that is an approximation of the exchange rates prevailing at each respective transaction date. Translation differences arising in foreign operations are recognized in other comprehensive income and accumulated in the translation reserve in equity. When a foreign operation is sold, the cumulative translation differences are realized from the translation reserve in profit for the year.

REVENUE

Revenue is recognized at the fair value of the consideration received or receivable, net of VAT, discounts and comparable allowances. Revenue is recognized when the amount can be reliably measured, when it is probably that future economic benefits will flow to the company and prescribed conditions are met for each type of Group revenue.

CLX's revenues arise mainly from sales of mobile messaging services, initial software licenses and upgrades, hardware and support.

Sale of services

Revenue from sale of services on open charge accounts is recognized in the accounting period when the services are rendered; that is, both revenues and costs are recognized in the period when they are earned and incurred, respectively.

Successive revenue recognition is applied to sales of services on fixed-price contracts. This means that revenue and costs are recognized in relation to the percentage of completion at the reporting date. The percentage of completion is determined by calculating the relation to contract costs incurred for work performed at the reporting date and the estimated total contract costs. An anticipated loss on a service contract is immediately recognized as an expense. When the outcome of a service contract cannot be reliably estimated, revenue is recognized only in the amount that corresponds to contract costs incurred that are likely to be recovered from the customer. Contract costs are recognized as an expense in the period in which they are incurred. An anticipated loss is immediately recognized as an expense to the extent that it can be estimated.

Revenue from separate support contracts

Revenue from separate support contracts is recognized on a straight-line basis over the term of the contract.

Revenue from separate upgrades of software licenses

Revenue from separate upgrades of software licenses is recognized when the software is delivered. When modifications to the software are to be performed after the initial delivery, revenue is recognized as sales of services at fixed prices.

Sale of goods

Revenue from sales of hardware is recognized when the goods are delivered.

LEASING

See the section on leased assets under "Property, plant and equipment" with regard to classification of leases.

Operating leases

Costs related to operational leases are recognized in profit and loss on a straight-line basis over the term of the lease. Incentives received in conjunction with operating leases are recognized in profit and loss as a reduction of the lease expense on a straight-line basis over the term of the lease. Variable charges are recognized as an expense in the periods they are incurred.

Finance leases

Minimum lease payments are apportioned between the finance charge (interest expense) and reduction of the outstanding liability. The finance charge is apportioned over the term of the lease so that an amount is allocated to each period that corresponds to a constant periodic rate of interest on the liability recognized in the respective period. Variable charges are recognized as an expense in the periods they are incurred.

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest income on cash and cash equivalents and short-term investments, dividend income, exchange gains and gains upon changes in value of financial assets or liabilities at fair value through profit and loss. Interest on financial instruments is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established. Financial expenses consist of interest expenses, exchange losses and losses upon change in value of financial assets and liabilities at fair value in profit and loss, and such losses on hedge instruments recognized in profit for the year. Borrowing expenses are recognized in profit and loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or the financial liability. The calculation includes all charges paid by or received from the parties to the contract that are part of the effective interest rate, transaction costs and all premiums and discounts.

TAXES

Tax expense comprises current and deferred tax. Tax expense is recognized in profit for the year except when the underlying transaction is recognized in other comprehensive income or in equity, whereupon the associated tax effect is recognized in other comprehensive income or in equity. Current tax is tax to be paid or refunded for the current year upon application of the tax rates enacted or substantively enacted as of the reporting date. Adjustment of current tax attributable to earlier periods is also included in current tax. Deferred tax is calculated using the balance sheet method, based on timing differences between the carrying amounts and tax values of assets and liabilities. Timing differences are not taken into account if they arise upon initial recognition of goodwill or initial recognition of assets and liabilities (other than in a business combination) in transactions that do not affect either accounting profit or taxable profit. Measurement of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and tax rules that are enacted or substantively enacted as of the reporting date. Deferred tax assets arising from deductible timing differences and loss carryforwards are recognized only to the extent it is probably that the timing differences can be utilized. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilized. Any additional income taxes that arise upon distribution of dividends is recognized when the dividend is recognized as a liability.

FINANCIAL INSTRUMENTS

Financial instruments recognized as assets in the balance sheet include cash and cash equivalents, deposits received, derivatives and accounts receivable. Those recognized as liabilities include accounts payable, accrued interest expense, earnouts recognized as a liability, derivatives and loan debt.

Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognized on the balance sheet when the company becomes a party in accordance with the contractual terms of the instrument. A receivable is recognized when the company has performed and the other party has a contractual payment obligation, even if an invoice has not yet been issued. Accounts receivable are recognized on the balance sheet when an invoice has been issued. Liabilities are recognized when the other party has performed and there is a contractual payment obligation, even if an invoice has not yet been received. Accounts payable are recognized when an invoice has been received. Financial assets are removed from the balance sheet when the contractual rights have been realized or extinguished or the company loses control over the asset. The same applies for a portion of a financial asset. A financial liability is removed from the balance sheet when the contractual obligation is performed or is otherwise extinguished. The same applies to a portion of a financial liability. Financial assets and financial liabilities are offset and recognized net in the balance sheet only when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Classification and measurement

Non-derivative financial instruments are initially recognized at cost, corresponding to the fair value of the instrument plus transaction costs except those in the category of financial assets at fair value through profit or loss, which are recognized at fair value minus transaction costs. Financial instruments are classified upon initial recognition based upon criteria including the purpose of acquiring the instrument. The classification determines how the financial instrument is measured subsequent to initial recognition. Derivatives are initially recognized at fair value, meaning that transaction costs are charged against profit for the period. Subsequent to initial recognition, derivatives are recognized as set out below. If derivatives are used for hedge accounting and to the extent the hedging relationship meets effectiveness requirements, changes in the value of derivatives are recognized on the same line in profit for the year as the hedged item at maturity, but the current effects of the cash flow hedge are presented in other comprehensive income. If hedge accounting is not applied, increases or decreases in the value of derivatives are recognized as income or expense within operating profit or loss or in financial items, based upon the objective of using the derivative and whether the use is related to an operating item or a financial item. In connection with hedge accounting, the ineffective portion of the instrument is recognized in the same way as for derivatives not used for hedge accounting. Cash and cash equivalents consist of cash and immediately available balances with banks and equivalent institutions and short-term liquid investments with a maturity from the acquisition date of less than three months and which are exposed to only insignificant risk of changes in value.

Financial assets and liabilities at fair value through profit or loss

This category consists of financial assets and liabilities held for trading. Financial instruments in this category are continuously measured at fair value with value changes recognized in profit or loss for the year. The category includes derivatives with positive or negative fair value except for derivatives that are identified and effective hedging instruments in hedge accounting.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are non-derivative financial assets that have determined or determinable payments and that are not listed on an active market. These assets are measured at amortized cost. Amortized cost is determined based on the effective interest rate calculated upon acquisition. Accounts receivable are recognized in the amounts expected to be received, i.e., minus doubtful receivables.

Other financial liabilities

Loans and other financial liabilities, such as accounts payable, are included in this category. Liabilities are measured at amortized cost. The categories in which the Group's financial assets and liabilities have been placed are presented in Note 31 *Financial assets and liabilities*. Recognition of financial income and expenses is also discussed under principal recognition of financial income and expenses.

DERIVATIVES AND HEDGE ACCOUNTING

The group has acquired derivatives to financially hedge the risks of its currency exposures. Derivatives are initially recognized at fair value, meaning that transaction costs are charged against profit for the period. Subsequent to initial recognition, derivatives are measured at fair value and changes in value are recognized as set out below. In order to meet the requirements for hedge accounting under IAS 39, there must be a clear link to the hedged item. The hedge must also effectively protect the hedge item, the hedging relationship must be formally documented and it must be possible to reliably measure effectiveness. Gains and losses arising from cash flow hedges and net investments are recognized in profit or loss for the year simultaneously with recognition of gains and losses for the hedged items. CLX applies hedge accounting with regard to currency forward contracts and hedging of net investments in foreign subsidiaries.

Receivables and liabilities denominated in foreign currency

Currency forward contracts are used for financial hedging of receivables or liabilities. Hedge accounting is not applied against currency risk because financial hedges are reflected in the accounts through that both the underlying receivable or liability and the hedging instrument are recognized at the closing day rate and exchange rate changes are recognized in profit or loss for the year. Exchange rate changes relating to operating receivables and liabilities are recognized in operating profit or loss while exchange rate changes relating to financial receivables and liabilities are recognized in financial items.

Hedging of currency risk in foreign net investments

Investments in foreign subsidiaries (net assets including goodwill) have been partially hedged through the raising of foreign currency loans that are translated to the closing rate at the reporting date. Translation differences arising from financial instruments used as hedging instruments in a hedge of net investments in a group company are recognized, to the extent the hedge is effective, in other comprehensive income and accumulated in the translation reserve in equity. This is done to neutralize the translation differences that affect equity when group companies are consolidated. When a subsidiary is sold, the cumulative value change related to the sold business is moved from the translation reserve in equity to profit or loss for the year.

PROPERTY, PLANT AND EQUIPMENT

Owned assets

Property, plant and equipment are carried at cost less accumulated depreciation and impairment, if any. The cost includes the purchase price and costs directly attributable to the asset to deliver and bring it to working condition for its intended use. The accounting policies related to impairments are set out below. The carrying amount of an item of property, plant or equipment is removed from the balance sheet when it is withdrawn from use or disposed of or when no future economic benefits are expected from the use or disposal of the asset. The gain or loss on disposal or withdrawal from use of an asset is the difference between the selling price and the carrying amount of the asset less direct costs to sell.

Costs incurred subsequently

Costs incurred subsequently are added to the cost of the asset only when it is probable that the future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. All other costs incurred subsequently are recognized as costs in the period they are incurred.

Leased assets

Leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if it transfers to the lessee substantially all the risks and rewards incidental to ownership of the underlying lease. All other leases are operating leases. Assets rented under finance leases are recognized as non-current assets in the balance sheet and initially measured at the lower of the fair value of the leased property and the present value of minimum lease payments on the date the contract is made. Obligations to pay future leasing charges are recognized as non-current and current liabilities. Leased assets are depreciated over the useful life of the asset, while lease payments are recognized as interest and repayments of the liabilities. Assets rented under operating leases are not recognized as assets in the balance sheet. Nor do operating leases give rise to a liability.

Depreciation policies

Assets are depreciated on a straight-line basis across the estimated useful life of the asset. Leased assets are also depreciated over the shorter of the estimated useful life of the asset or the contractual term of the lease. Estimated useful lives:

- Computers 3-5 years
- Equipment 3-5 years

Depreciation methods applied, residual values and estimated useful lives are reviewed at the end of each year.

INTANGIBLE ASSETS

Goodwill

Goodwill is measured at cost less accumulated impairments, if any. Goodwill is allocated to cash-generating units and tested for impairment annually and as soon as there is any indication that the asset in question has declined in value.

Research and development

Research and development costs aimed at obtaining new scientific or technical knowledge are recognized when they are incurred. Costs for development, research findings or other knowledge applied to achieve new or improved products or processes are recognized as an asset in the balance sheet if the product or process is technologically and commercially feasible and the company has adequate resources to complete the development and thereafter use or sell the intangible asset. The carrying amount includes all directly attributable costs, such as for materials and services, compensation to employees, registration of a legal right and amortization on patents and licenses. Other development costs are recognized in profit or loss for the year when they are incurred. Development costs recognized in the balance sheet are carried at cost less accumulated amortization and impairments, if any.

Other intangible assets
Other intangible assets comprise licenses, customer relationships, operator relationships, trademarks and proprietary software and are carried at cost less accumulated amortization and impairments (see accounting policies for impairments).

Costs incurred subsequently
Costs incurred subsequently for capitalized intangible assets are recognized in the balance sheet as an asset only if they increase the future economic benefits of the specific asset to which they relate. All other costs are recognized as an expense when they are incurred.

Amortization policies
Amortization of intangible assets is recognized in profit and loss on a straight-line basis over the estimated useful life of the asset, as long as such useful lives are not indefinite. Estimated useful lives are reassessed at least once a year. Intangible assets with definite useful lives are amortized as of the date they are ready to be used. Estimated useful lives:

- Licenses 3-5 years
- Customer relationships 5-10 years
- Operator relationships 5-10 years
- Trademarks 1 year
- Proprietary software 3-5 years

Estimated useful lives are reassessed annually.

IMPAIRMENT

At each reporting date, the
Group's recognized assets are assessed to determine whether there is any need for impairment.

Impairment of property, plant and equipment and intangible assets
If there is indication of impairment loss, the recoverable amount of the asset is estimated. The recoverable amount of goodwill is also estimated annually. When a largely independent cash flow cannot be determined for an individual asset and its fair value less costs to sell cannot be used, the assets are grouped for impairment testing in a cash-generating unit, which is the lowest level at which largely independent cash flows can be identified. An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognized as costs in profit and loss. When indication of an impairment loss has been identified for a cash-generating unit, the impairment loss is allocated primarily to goodwill. Thereafter, the remaining loss is allocated to the other assets included in the cash generating unit pro rata. The recoverable amount is the higher of fair value less costs to sell and value in use. In measuring value in use, future cash flows are discounted using a discount rate that reflects the current market assessment of the time value of money (the risk-free rate of interest) and the risks associated with the specific asset.

Impairment of financial assets
At the end of each reporting period, the company assesses financial assets to determine whether there is objective evidence of impairment. Objective evidence includes observable events that have occurred and which have adverse impact on the ability to recover the cost of the asset. An observable event occurs when an invoice is not paid on time. CLX has established rules for how doubtful receivables must be managed. Past-due accounts receivable are impaired after individual assessment.

Reversals of impairment losses
Impairment losses for assets covered by IAS 36 are reversed if there is both an indication that the impairment loss no longer exists and there has been a change in the assumptions used to determine the recoverable amount. Impairment losses for goodwill are never reversed. Reversals are done only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognized, less depreciation if any, if the impairment had not been recognized. Impairment losses for loan receivables and accounts receivable recognized at amortized cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment was recognized.

EARNINGS PER SHARE

Calculation of earnings per share is based on consolidated profit or loss attributable to owners of the parent and on the weighted average number of shares outstanding during the year. When calculating diluted earnings per share, profit or loss and the average number of shares are adjusted to account for the effects of potentially dilutive ordinary shares.

EMPLOYEE BENEFITS

Defined contribution pension plans
All pension solutions in the Group are classified as defined contribution pension plans. Accordingly, the Group's obligation is limited to the contributions the Group has committed to pay. In such case, the size of the employee’s pension depends upon the contributions the company pays to the plan or to an insurance company and upon the return on capital generated by the contributions. Consequently, the actuarial risk (that pension benefits will be lower than expected) and the investment risk (that the invested assets will be insufficient to generate the expected benefits) are borne by the employee. The company's obligations concerning contributions to defined contribution plans are recognized as a cost in profit and loss at the rate they are earned through employee services rendered to the company during a period.

Severance pay
The Group recognizes a cost for severance pay only when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal time. When compensation is offered to encourage voluntary termination, a cost is recognized if it is likely that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Short-term employee benefits
The undiscounted amount of short-term employee benefits is recognized in the accounting period when the related service was rendered. A provision is recognized for the expected cost of bonus payments when the Group has a legal or constructive obligation to make such payments as a result of employee services rendered and the obligation can be reliably measured.

Share-based payments
CLX has issued an equity-settled employee share ownership plan.

Recognition of equity-settled payments
From 1 January 2017, CLX applies IFRS 2 *Share-based Payment* to warrants vested over the term of the share ownership plan. A share ownership plan makes it possible for employees to acquire shares in the company. The fair value of subscribed warrants is recognized as employee benefits expense, with a corresponding increase in equity. Fair value is estimated at grant date and allocated over the vesting period. The fair value of granted warrants is estimated using the Black & Scholes model and takes the terms, conditions and circumstances in effect at grant date into account. The amount recognized as an expense is adjusted to reflect the actual number of warrants vested. In subsequent periods, this expense is adjusted to reflect the actual number of warrants vested. However, no adjustment is made when warrants are forfeit because share price-related criteria are not met to the extent that confers a redemption right. Social insurance fees attributable to the employee benefits expense that arises upon vesting are expensed over the vesting period. The provision for social insurance fees is based on the fair value of the warrants at the reporting date. Fair value is measured using the same model that was used when the warrants were issued. Upon redemption within the framework of equity-settled programs, own shares are delivered to the employee. Upon redemption, the payment of the redemption price received from the employee is recognized as an increase in equity.

PROVISIONS
Provisions differ from other liabilities in that the timing or amount to settle the provision is uncertain. Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are recognized in the amounts that are best estimates of the outflows that will be required to settle the existing obligation at the reporting date. Where the time value of money is material, provisions are measured by discounting the expected future cash flow at a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability

Restructuring
A provision for restructuring is recognized when a detailed formal restructuring plan has been adopted and has started being implemented, or announced to those affected. No provisions are made for future operating expenses.

Onerous contracts
A provision for onerous contracts is recognized when the economic benefits expected to be received from the contract are lower than the unavoidable costs of meeting the contractual obligations.

CONTINGENT LIABILITIES
A contingent liability is recognized when there is a possible obligation arising from past events and whose existence will be confirmed only by one or more uncertain future events or when there is an obligation not recognized as a liability or provision because the possibility of an outflow of resources is remote.

PARENT COMPANY ACCOUNTING POLICIES
The parent company's annual accounts were prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and recommendation RFR 2 *Accounting of Legal Entities* issued by the Swedish Financial Accounting Standards Council. Opinions issued by the Swedish FASC applicable to listed companies were also applied. RFR 2 requires the parent to apply all IFRSs and interpretations endorsed by the EU to its annual accounts for the legal entity to the extent possible within the framework of the Annual Accounts Act and the Swedish Pension Obligations Vesting Act, while observing the relationship between accounting and taxation. RFR2 specifies the exceptions and additions to IFRSs that must be made.

Changed accounting policies
If not otherwise stated below, the parent company's accounting policies have changed in accordance with that stated concerning the Group.

Differences between consolidated and parent company accounting policies
Differences between consolidated and parent company accounting policies are disclosed below. The parent company accounting policies specified below have been applied consistently in all periods presented in the parent company's financial statements.

Classification and presentation
The parent company income statement and balance sheet are presented as set out in the Swedish Annual Accounts Act. The main differences compared to IAS 1 *Presentation of Financial Statements* that was applied to the consolidated financial statements are the reporting of financial income and expenses and reporting of equity.

Subsidiaries
The parent company accounts for investments in subsidiaries using the cost method and include transaction costs directly attributable to the acquisition. Any contingent consideration is recognized when a probable and reliable amount can be estimated and any remeasurements of the value are recognized only in the balance sheet. Policies for impairment of investments in subsidiaries are consistent with the section “Impairment of property, plant and equipment and equipment and intangible assets” for the Group.

Revenue
Services performed by the parent company are recognized in profit and loss when the service is complete. Revenue in the parent company refers in all material respects to internal group services.

Financial instruments and hedge accounting
By reason of the relationship between accounting and taxation, the rules in IAS 39 are not applied to the parent company as a legal entity. Financial assets in the parent company are measured at cost less impairments, if any.

Equity-settled programs issued to employees of subsidiaries
The estimated value and carrying amount of equity-settled programs issued to employees of other companies in the Group are recognized in the parent company as capital injections to subsidiaries. When the parent company recognizes an increase in equity, the value of invest-

ments in subsidiaries simultaneously increases. The costs related to employees in the companies concerned are billed onward to the respective subsidiaries on an ongoing basis and are settled in cash, which neutralizes the increase in investments in subsidiaries.

Anticipated dividends

Anticipated dividends from subsidiaries are recognized when the parent company has the unilateral right to determine the amount of the dividend and the parent company has decided the amount of the dividend before publishing its financial statements.

Taxes

Untaxed reserves are recognized in the parent company balance sheet with no division between equity and deferred tax liabilities. Correspondingly, there is no allocation of a portion of appropriations to deferred tax expense in the parent company income statement.

NOTE 2 – OPERATING SEGMENTS

2017 12 MONTHS, SEKM	Enterprise Division	Operator Division	Sinch	Corporate and eliminations	Group
Revenue from external customers	**2,844.9**	**163.2**	**50.0**	**-**	**3,058.1**
Revenue from other segments	2.3	5.5	0.2	-8.0	-
Gross profit	**599.8**	**144.0**	**36.3**	**-0.1**	**780.0**
EBITDA	**287.8**	**41.9**	**-19.2**	**-47.3**	**263.2**
Depreciation, amortization and impairments					-138.3
EBIT					**124.9**
Financial items					-50.5
Profit before tax					**74.4**
Non-current assets[1)]	**1,558.2**	**40.5**	**181.6**	**6.5**	**1,786.7**

[1)] Of which Sweden SEK 282.3 million, UK SEK 360.6 million, Germany SEK 163.3 million, USA SEK 979.2 million and rest of the world SEK 1.3 million. Corporate includes EBITDA for the parent company in the amount of SEK -12.9 million.

2015/16 18 MONTHS, SEKM	Enterprise Division	Operator Division	Sinch	Corporate and eliminations	Group
Revenue from external customers	**2,079.9**	**252.6**	**1.4**	**-**	**2,333.9**
Revenue from other segments	0.8	8.3	-	-9.1	-
Gross profit	**406.4**	**235.6**	**0.9**	**0.3**	**642.3**
EBITDA	**173.6**	**80.0**	**0.6**	**-92.2**	**161.9**
Depreciation and amortization					-49.4
EBIT					**112.5**
Financial items					8.9
Profit before tax					**112.5**
Non-current assets[1)]	**1,342.5**	**40.7**	**195.5**	**0.4**	**1,579.0**

[1)] Of which Sweden SEK 288.0 million, USA SEK 1,287.9 million and rest of the world SEK 3.1 million. Corporate includes EBITDA for the parent company in the amount of SEK -28.8 million.

Group operations are divided into operating segments based on which parts of operations are monitored by group management. CLX group management monitors the EBITDA that the segment generates. Each operating segment has a managing director who is responsible for day-to-day operations and who regularly reports the outcomes of the operating segment's performance to group management.

Directly attributable items have been included in operating profit or loss for the segment. Acquisition costs, restructuring costs, integration costs and other non-regularly recurring items are not allocated to the Group's operating segments. Assets and liabilities are not monitored by group management broken down by segment. Non-current assets include intangible assets and property, plant and equipment.

The Group's operating segments consist of the Enterprise Division, the Operator Division and Sinch.

- Enterprise Division revenues consist of fees for handling messages for enterprises. The costs consist mainly of fees to telecom operators and payroll.
- Operator Division revenues consist mainly of software licenses including upgrades and support fees. The costs consist mainly of payroll.
- Sinch revenues consist mainly of fees for handling voice and video communications. The costs consist mainly of fees to telecom operators and payroll.
- Corporate consists of the parent company and unallocated items.

Sales within and between the operating segments of the Group are transacted on market terms.

No single customer contributed 10 percent or more to the Group's revenue.

NOTE 3 -NET SALES

NET SALES DISTRIBUTED BY PRODUCTS AND SERVICES	Group 2017 12 mon	 2015/16 18 mon
Messaging services	2,894,221	2,072,686
Initial software licenses and upgrades	74,139	123,550
Hardware	3,219	3,683
Support	83,550	121,698
Other	2,949	12,320
Total	**3,058,079**	**2,333,937**

NET SALES DISTRIBUTED BY REGION	Group 2017 12 mon	 2015/16 18 mon
Sweden	253,335	128,917
EU excluding Sweden	1,677,755	1,433,881
United States	556,858	420,736
Rest of the world	570,131	350,403
Total net sales	**3,058,079**	**2,333,937**

Based on where customers are located.

NOTE 4 - OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	Group		Parent company	
OTHER OPERATING INCOME	2017 12 mon	2015/16 18 mon	2017 12 mon	2015/16 18 mon
Exchange rate gains	39,471	38,956	133	429
Fair value gain, derivatives	-	-	-	-
Recovered previously impaired accounts receivable	18	1,435	-	-
Profit on sale of non-current assets	3,366	-	-	-
Adjustment liability, earnout Xura*	11,752	-	-	-
Other	4,940	443	1	-
Total	**59,547**	**40,834**	**134**	**429**

* The SPA for Xura Secure Communications GmbH included a possible earnout based on the company's gross profit development. As the target has not been reached, the earnout liability has been adjusted with a corresponding impairment of goodwill.

	Group		Parent company	
OTHER OPERATING EXPENSES	2017 12 mon	2015/16 18 mon	2017 12 mon	2015/16 18 mon
Exchange rate losses	-40,650	-39,241	-51	-191
Provision for doubtful receivables	2,550	-11,578	-	-
Total	**-38,100**	**-50,819**	**-51**	**-191**

NOTE 5 - AUDIT FEES

	Group		Parent company	
	2017 12 mon	2015/16 18 mon	2017 12 mon	2015/16 18 mon
Statutory audit services				
Deloitte	3,723	2,171	776	358
Other audit firms	483	738	-	-
Audit-related services				
Deloitte	333	52	-	52
Other audit firms	-	15	-	-
Tax services				
Deloitte	-	-	-	-
Other audit firms	548	481	-	-
Other services				
Deloitte	1,504	5,686	16	1,449
Other audit firms	-	444	-	-
Total	**6,591**	**9,587**	**792**	**1,859**

Other services, Deloitte

Fees related to the IPO amount to SEK - thousand (1,041) and are recognized in profit and loss as market listing expenses.

Fees related to the rights issue amount to SEK - thousand (388) and are recognized directly against equity.

Fees related to due diligence in connection with acquisitions amount to SEK 1,488 thousand (4,237) and are recognized in profit and loss as acquisition costs.

NOTE 6 - OTHER EXTERNAL EXPENSES

	Group		Parent company	
OTHER EXTERNAL EXPENSES	2017 12 mon	2015/16 18 mon	2017 12 mon	2015/16 18 mon
Market listing costs	-	-11,198	-	-11,198
Acquisition costs	-9,270	-17,112	-	-
Restructuring costs	-15,048	-35,166	-	-1,219
Integration costs	-24,239	-12,659	-	-919
Other external expenses	-195,041	-135,503	-22,403	-7,308
Total	**-243,598**	**-211,638**	**-22,403**	**-20,644**

Restructuring costs refer to employee benefits expense of SEK 14,156 thousand (24,536) and other external expenses of SEK 892 thousand (10,630) for premises and advisory services.

NOTE 7 - LEASING

	Group		Parent company	
OPERATING LEASES	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Payable < 1 year	18,023	18,158	10,019	-
Payable > 1 year, < 5 years	57,766	12,166	37,136	-
Payable > 5 years	-	-	-	-
Total	**75,789**	**30,324**	**47,155**	**-**

The nominal value of future minimum lease payments referring to non-cancellable operating leases is distributed as shown in the table above. In all material respects, operating leases consist of rental contracts for premises and a minor portion of office equipment.

	Group		Parent company	
OPERATING LEASES IN PROFIT FOR THE YEAR	2017 12 mon	2015/16 18 mon	2017 12 mon	2015/16 18 mon
Leasing expenses	17,778	14,864	1,202	-
Leasing income	175	-	-	-
Total	**17,603**	**14,864**	**1,202**	**-**

FINANCE LEASING	Group 31 Dec 2017 Minimum lease pay-ments	Group 31 Dec 2017 Interest	Group 31 Dec 2017 Principal	Group 31 Dec 2016 Minimum lease pay-ments	Group 31 Dec 2016 Interest	Group 31 Dec 2016 Principal
Payable < 1 year	169	16	154	169	8	161
Payable > 1 year, < 5 years	175	24	151	344	40	305
Payable > 5 years	-	-	-	-	-	-
Total	**344**	**40**	**305**	**513**	**48**	**466**

Non-cancellable finance leases mature as shown in the table above. Assets under finance leases consist of office furniture.

FINANCE LEASES IN PROFIT FOR THE YEAR	Group 2017 12 mon	Group 2015/16 18 mon
Variable charges included in profit or loss for the year	8	0

NOTE 8 - EMPLOYEES, EMPLOYEE BENEFITS EXPENSE AND COMPENSATION TO SENIOR MANAGEMENT

SALARIES AND OTHER COMPENSATION	Group 2017 12 mon	Group 2015/16 18 mon	Parent company 2017 12 mon	Parent company 2015/16 18 mon
Salaries and other compensation	226,249	200,324	6,784	7,863
(Of which variable pay)	16,702	21,291	-	560
Other benefits	3,309	3,779	-	-
Pension expenses	15,140	15,938	999	1,156
Other social security expenses	46,065	45,116	2,382	2,773
Total	**290,764**	**265,157**	**10,164**	**11,792**

2017 12 MONTHS

COMPENSATION TO SENIOR MANAGEMENT - GROUP	Base pay, fee	Variable pay	Other benefits	Pension expenses	Other social security expenses	Total
Erik Fröberg, chairman*	550	-	-	-	173	**723**
Kjell Arvidsson, director*	569	-	-	34	187	**790**
Charlotta Falvin, director*	250	-	-	-	79	**329**
Renée Robinson Strömberg, director*	250	-	-	-	79	**329**
Johan Stuart, director*	330	-	-	-	104	**434**
Björn Zethraeus, director*	468	-	-	69	164	**701**
Johan Hedberg, CEO	1,327	-	926	-	234	**2,486**
Other senior management (2 individuals, of which 1 for part of the year)	1,561	-	-	312	566	**2,439**
Other senior management (4 individuals, of which 2 for part of the year)	3,305	215	50	455	1,056	**5,081**
Total senior management	**8,610**	**215**	**976**	**871**	**2,640**	**13,312**

*Parent company

COMPENSATION TO SENIOR MANAGEMENT - GROUP	2015/16 18 MONTHS Base pay, fee	Variable pay	Other benefits	Pension expenses	Other social security expenses	Total
Erik Fröberg, chairman*	225	-	-	-	71	**296**
Kjell Arvidsson, director*	944	-	-	280	365	**1,589**
Charlotta Falvin, director*	225	-	-	-	71	**296**
Jonas Fredriksson, director*	225	-	-	-	71	**296**
Helena Nordman-Knutson, director*	225	-	-	-	71	**296**
Johan Stuart, director*	225	-	-	-	71	**296**
Johan Hedberg, CEO*	912	-	-	115	314	**1,341**
Johan Hedberg, CEO	569	-	990	-	63	**1,622**
Other senior management (1 individual)*	1,973	348	-	436	835	**3,592**
Other senior management (3 individuals, of which 1 for part of the year)	3,259	986	-	456	1,250	**5,951**
Total senior management	**8,782**	**1,334**	**990**	**1,287**	**3,180**	**15,573**

*Parent company

COMPENSATION TO SENIOR MANAGEMENT - GROUP

Board of Directors

As resolved by the 2017 annual general meeting, directors' fees are paid as follows: SEK 250 thousand to non-executive directors, SEK 550 thousand to the Chairman of the Board, SEK 40 thousand to members of the Audit Committee, and SEK 80 thousand to the Chairman of the Audit Committee. Executive directors receive base pay in their capacity as senior management personnel.

Chief Executive Officer

In accordance with the guidelines adopted for 2017, the CEO is entitled to fixed pay, variable pay and other compensation. Variable pay is limited to 30 percent of fixed pay. A six-months' period of notice of termination or resignation applies between the company and the CEO. Upon termination no severance is paid. Other benefits consist of health insurance and reimbursement of additional costs related to relocation to the United States.

Other senior management

As of 2015/16, the group management team includes the CFO, the managing directors of the Enterprise Division and the Operator Division and, from 1 August 2016, the VP European Sales for the Enterprise Division. As of May 2017, the Head of Corporate Development is a member of group management. As of August 2017, the HR Director and the CTO for the Enterprise Division are members of group management. Effective August 2017, the VP European Sales for the Enterprise Division is no longer a member of group management.

Other senior management personnel are entitled to fixed pay, variable pay and other compensation. Variable pay is based on business targets and, in accordance with the guidelines adopted by the 2017 annual general meeting, is limited to a maximum of 30 percent of fixed pay. During the 2015/16 financial year, the board of directors resolved, in accordance with established guidelines, in favor of one-time compensation to a number of senior management personnel and other key individuals for their contributions in connection to the acquisition of Mblox. This compensation was not based on predefined targets. Other benefits consist of health insurance and company cars.

Pensions

The age of retirement for the CEO and other senior management personnel is 65. Pension premiums for the CEO and other senior management personnel reflect customary conditions generally applicable to executives in comparable positions with other companies and are based on defined contribution pension plans. Pension benefits are calculated upon base pay only. There are no commitments to pension benefits for external directors.

Incentive program

On 5 December 2016, an extraordinary general meeting resolved to introduce a long-term incentive scheme for senior management personnel and key employees within CLX, by issuing a maximum of 1.5 million warrants with expiry after three, four and five years respectively and a strike price of SEK 127.67 per share. Due to different tax rules, participants in the United States and the United Kingdom receive the warrants against no monetary consideration. Other participants pay a premium of SEK 9.56 per warrant. Of senior management personnel, the CFO, HR Director, Managing Director of the Operator Division, the VP European Sales for the Enterprise Division and the CTO for the Enterprise Division were invited to participate in the incentive program. These individuals have respectively subscribed for 50,000, 20,000, 60,000, 50,000 and 45,000 warrants each. The warrants were allotted in January 2017. Please refer to Note 21 for further information.

AVERAGE NUMBER OF EMPLOYEES	2017 12 mon	Of whom, men	2015/16 18 mon	Of whom, men
Sweden	175	151	134	116
Australia	7	5	1	-
France	-	-	1	1
United Arab Emirates	16	14	11	10
Canada	8	4	9	6
Singapore	4	4	1	1
Spain	3	3	3	3
United Kingdom	61	44	19	14
Turkey	3	3	2	2
Germany	12	6	-	-
United States	52	38	20	15
Total	**340**	**271**	**199**	**168**
Of which, parent company (Sweden)	7	3	5	3

SENIOR MANAGEMENT	31 Dec 2017 Number on reporting date	31 Dec 2017 Of whom, men	31 Dec 2016 Number on reporting date	31 Dec 2016 Of whom, men
Group				
Directors	6	4	6	4
Other senior management	7	6	5	5
Parent company				
Directors	6	4	6	4
Other senior management	3	2	1	1

NOTE 9 - **FINANCIAL INCOME AND EXPENSES**

GROUP	2017 12 mon	2015/16 18 mon
Interest income	2,495	1,518
Exchange rate gains	182,421	103,433
Other financial income	313	121
Financial income	**185,229**	**105,072**
Interest expenses	-17,916	-8,054
Exchange rate losses	-216,285	-87,939
Other financial expenses	-1,497	-183
Financial expenses	**-235,698**	**-96,176**
Net financial income and expenses	**-50,469**	**8,896**

PARENT COMPANY	2017 12 mon	2015/16 18 mon
Interest income	359	19
Interest income, group companies	7,144	439
Exchange rate gains	75,129	106,272
Interest income and similar profit items	**82,632**	**106,730**
Interest expenses	-17,772	-7,799
Interest expenses, group companies	-1,069	-995
Exchange rate losses	-173,763	-24,599
Other financial expenses	-390	-27
Other interest income and similar profit items	**-192,994**	**-33,420**

PROFIT OR LOSS FROM INVESTMENTS IN SUBSIDIARIES	2017 12 mon	2015/16 18 mon
Dividend	-	20,000
Total	**-**	**20,000**

NOTE 10 - **APPROPRIATIONS**

PARENT COMPANY	2017 12 mon	2015/16 18 mon
Provision to tax allocation reserve	-	-6,578
Accelerated depreciation/amortization	-1,729	
Group contribution received	135,370	-
Total	**133,641**	**-6,578**

NOTE 11 - **TAXES**

TAX IN PROFIT AND LOSS	Group 2017 12 mon	Group 2015/16 18 mon	Parent company 2017 12 mon	Parent company 2015/16 18 mon
Current tax	-36,205	-38,918	-2,276	-8,404
Current tax attributable to previous years	2,895	3,191	-	-
Deferred tax related to timing differences	102,239	25,982	-	-
Deferred tax on loss carry-forwards	-8,955	-71	-	-
Total	**59,974**	**-9,816**	**-2,276**	**-8,404**

Current tax recognized directly against equity amounts to SEK 2,267 thousand (4,063) and refers to tax on issue costs.

Deferred tax recognized in other comprehensive income amounts to SEK 2,050 thousand (-7,521) and refers to the tax portion of hedge accounted amounts arising from net investments in subsidiaries.

RECONCILIATION OF TAX EXPENSE FOR THE YEAR	Group 2017 12 mon	Group 2015/16 18 mon	Parent company 2017 12 mon	Parent company 2015/16 18 mon
Profit before tax	74,443	121,384	10,097	57,909
Tax calculated according to the Swedish tax rate, 22%	-16,377	-26,704	-2,221	-12,740
Tax attributable to previous years	-4,582	3,191	-	-
Effect of changed tax rates	40,811	-	-	-
Tax effect of non-deductible expenses	-3,154	-1,102	-50	-64
Tax effect of non-taxable revenue	1,248	825	0	4,400
Tax on standard interest rate, tax allocation reserves	-37	-37	-5	-
Tax effect of non-capitalized loss carryforwards	-377	-29	-	-
Tax effect of utilized non-capitalized loss carry-forwards	46,009	7,545	-	-
Foreign tax deducted at source	-1,087	-30	-	-
Effect of foreign tax rates	-2,480	6,525	-	-
Tax on profit for the year according to income statement	**59,974**	**-9,816**	**-2,276**	**-8,404**

Tax rate

The parent company's current tax rate is 22 percent (22). The Group's effective tax rate is -80.6 percent (8.1).

NOTE 12 - EARNINGS PER SHARE

BASIC EARNINGS PER SHARE	2017 12 mon	2015/16 18 mon
Profit for the year attributable to owners of the parent	133,948	111,324
Weighted average ordinary shares outstanding, before dilution	52,002,693	42,706,358
Basic earnings per share, SEK	**2.58**	**2.58**

DILUTED EARNINGS PER SHARE	2017 12 mon	2015/16 18 mon
Profit for the year attributable to owners of the parent	133,948	111,324
Interest on preference shares	-	-942
Adjusted profit attributable to owners of the parent	**133,948**	**110,382**
Weighted average ordinary shares outstanding, before dilution	52,002,693	42,706,358
Weighted average preference shares outstanding	-	505,878
Weighted average shares outstanding, after dilution	**52,002,693**	**43,212,236**
Diluted earnings per share, SEK	**2.58**	**2.55**

Average shares outstanding was recalculated after the rights issue.

NOTE 13 - GOODWILL

GROUP	2017 12 mon	2015/16 18 mon
Cost on the opening date	803,634	56,799
Through acquisitions of group companies, see Note 34	360,643	711,695
Adjustment acquisition analysis Mblox*	-187,210	-
Reclassifications	-	306
Translation differences	-1,000	34,834
Accumulated cost on the closing date	**975,509**	**803,634**
Impairments on the opening date	803,634	56,799
Impairments for the year	172,875	711,695
Translation differences	-1,000	34,834
Accumulated impairments on the closing date	**975,509**	**803,634**
Carrying amount	**975,509**	**803,634**

IMPAIRMENT OF GOODWILL

The SPA for Xura Secure Communications GmbH included an earnout based on the company's gross profit development. As the target was not reached, the earnout liability was adjusted with a corresponding impairment of goodwill, amounting to SEK 11 859 thousand.

GOODWILL PER CASH-GENERATING UNIT	31 Dec 2017	31 Dec 2016
CLX Networks AB	42,009	42,009
Symsoft AB	2,478	2,478
CLX Networks Canada	1,072	1,101
CLX Networks Inc.	235	260
Caleo Technologies AB	11,307	11,307
Mblox Inc.*	475,659	655,559
Sinch AB	90,920	90,920
Xura Secure Communications GmbH	79,025	-
Dialogue Group Ltd.	260,678	-
Total	**963,383**	**803,634**

* The acquisition analysis relating to the preceding year's acquisition of Mblox was completed during the second quarter of 2017. This included examination of tax-related losses, which resulted in recognition of an additional SEK 153.0 million in deferred tax assets. Deferred tax liabilities on acquired intangible assets have been reduced by SEK 35.5 million due to a change in the tax rate from 40 percent to 34 percent. Goodwill, including other adjustments, was reduced by SEK 187.2 million.

IMPAIRMENT TEST OF GOODWILL

Goodwill is tested for impairment annually or when there are indications that an impairment loss has occurred. The recoverable amount for a cash-generating unit is determined based on estimated value in use. These estimates are based on cash flow projections, which are based on financial budgets approved by the management covering a five-year period. In the assessment of future cash flows assumptions are made, primarily concerning sales growth, operating margin, and discount rate (WACC). The estimated growth rate and the forecast operating margin are based on the company's budgets and forecasts for each unit.

The growth rate after the forecast period coincides with the Group's long-term assumptions about inflation and long-term market growth. The discount rate reflects specific risks associated with the asset.

The company has determined that all cash-generating units can be categorized as companies in a growth phase but with strong and stable cash flows and which operate in a global market with similar conditions.

	Discount rate before tax		Long-term growth rate	
CASH-GENERATING UNIT	2017	2015/16	2017	2015/16
CLX Networks AB	8.4%	8%	2%	2%
Symsoft AB	8.4%	8%	2%	2%
Caleo Technologies AB	8.4%	12%	2%	2%
Mblox Inc.	8.4%	8.9%	2%	2%
Sinch AB	8.4%	18%	2%	2%
Xura Secure Communications GmbH	8.4%	-	2%	-
Dialogue Group Ltd.	8.4%	-	2%	-

SENSITIVITY ANALYSIS

The recoverable amount exceeds the carrying amount for all cash-generating units.

The sensitivity analysis below per cash-generating unit shows when the deviation in percentage points against each factor, respectively, results in the recovarable amount being in line with the carrying amount. As shown in the table, the sensitivity of Xura Secure Communications GmbH is largest and management follows the company's development continously to determine whether additional impairments requirements exist.

	Deviation in percentage points		
CASH-GENERATING UNIT	WACC before tax	Long term growth	Profitability target
Mblox Inc.	1.1	-0.7	-2.1
Sinch AB	1.8	-2.5	-4.1
Xura Secure Communications GmbH	0.3	-0.4	-0.3
Dialouge Group Ltd.	7.1	-16.0	-9.6

NOTE 14 - OTHER NON-CURRENT INTANGIBLE ASSETS

	2017 12 MONTHS					
GROUP	Proprietary software	Licenses	Customer relationships	Operator relationships	Trademarks	Total other non-current intangible assets
Cost on the opening date	103,662	16,465	648,589	48,881	1,000	818,597
Capitalized expenditure/ purchases for the year	17,872	22	-	-	-	17,894
Through acquisitions of group companies	25,846	3,893	96,055	79,034	-	204,828
Reclassifications	-	-149	-	-	-	-149
Disposals/retirements	-	-984	-5,761	-	-	-6,745
Translation differences	-538	-864	-55,448	-6,741	-	-63,591
Accumulated cost on the closing date	**146,841**	**18,383**	**683,435**	**121,175**	**1,000**	**970,834**
Amortization on the opening date	**-10,950**	-9,006	-34,924	-2,455	-33	**-57,368**
Amortization for the year	-23,587	-3,835	-78,100	-10,833	-967	-117,322
Through acquisitions of group companies	-	-3,063	-	-	-	-3,063
Reclassifications	-	34	-	-	-	34
Disposals/retirements	-	761	-	-	-	761
Translation differences	-45	649	5,450	331	-	6,385
Accumulated amortization on the closing date	**-34,583**	**-14,459**	**-107,574**	**-12,957**	**-1,000**	**-170,573**
Carrying amount	**112,258**	**3,923**	**575,862**	**108,218**	**0**	**800,261**

	2015/16 18 MONTHS					
GROUP	Proprietary software	Licenses	Customer relationships	Operator relationships	Trademarks	Total other non-current intangible assets
Cost on the opening date	13,955	-	-	-	-	13,955
Capitalized expenditure/ purchases for the year	22,729	4,831	-	-	-	27,560
Through acquisitions of group companies	68,000	13,716	613,417	46,434	1,000	742,567
Reclassifications	-1,023	1,106	-	-	-	83
Disposals/retirements	-	-3,723	-	-	-	-3,723
Translation differences	1	535	35,172	2,447	-	38,155
Accumulated cost on the closing date	**103,662**	**16,465**	**648,589**	**48,881**	**1,000**	**818,597**
Amortization on the opening date	**-4,854**	-	-	-	-	**-4,854**
Amortization for the year	-6,312	-3,789	-32,784	-2,306	-33	-45,224
Through acquisitions of group companies	-	-8,813	-	-	-	-8,813
Reclassifications	216	-216	-	-	-	0
Disposals/retirements	-	3,723	-	-	-	3,723
Translation differences	-	89	-2,140	-149	-	-2,200
Accumulated amortization on the closing date	**-10,950**	**-9,006**	**-34,924**	**-2,455**	**-33**	**-57,368**
Carrying amount	**92,712**	**7,459**	**613,665**	**46,426**	**967**	**761,230**

LICENSES	Parent company 2017 12 mon	Parent company 2015/16 18 mon
Cost on the opening date	350	-
Purchases for the year	22	350
Accumulated cost on the closing date	**372**	**350**
Amortization on the opening date	-	-
Amortization for the year	-124	-
Accumulated amortization on the closing date	-124	-
Carrying amount	**248**	**350**

NOTE 15 - **PROPERTY, PLANT AND EQUIPMENT**

	Group		Parent company	
COMPUTERS AND EQUIPMENT	2017 12 mon	2015/16 18 mon	2017 12 mon	2015/16 18 mon
Cost on the opening date	49,690	20,295	-	-
Purchases for the year	12,334	6,141	6,448	-
Through acquisitions of group companies	14,758	24,164	-	-
Reclassifications	5,137	969	-	-
Disposals/retirements	-3,520	-2,204	-	-
Translation differences	-301	325	-	-
Accumulated cost on the closing date	**78,098**	**49,690**	**6,448**	**-**
Depreciation on the opening date	-35,524	-15,597	-	-
Depreciation for the year	-8,308	-4,671	-193	-
Through acquisitions of group companies	-9,623	-15,842	-	-
Reclassifications	-5,172	-1,078	-	-
Disposals/retirements	3,515	1,778	-	-
Translation differences	86	-114	-	-
Accumulated depreciation on the closing date	**-55,026**	**-35,524**	**-193**	**-**
Carrying amount	**23,073**	**14,166**	**6,255**	**-**

NOTE 16 - **FINANCIAL ASSETS**

	Group		Parent company	
NON-CURRENT RECEIVABLES	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Derivatives	-	600	-	-
Non-current VAT receivable	4,262	5,139	-	-
Deposits	2,949	248	-	-
Non-current receivables, group companies	-	-	1,509,409	1,128,972
Non-current accounts receivable	15,168	3,032	-	-
Other non-current receivables	6,845	2,394	-	-
Total	**29,224**	**11,413**	**1,509,409**	**1,128,972**

INVESTMENTS IN GROUP COMPANIES	Parent company 31 Dec 2017	Parent company 31 Dec 2016
Cost on the opening date	530,105	349,950
Acquired subsidiary	125	180,155
Accumulated cost on the closing date	**530,230**	**530,105**

			% of equity and votes		Carrying amount	
SUBSIDIARIES IN THE GROUP	Identity no.	Registered office	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
CLX Networks AB	556747-5495	Stockholm	100	100	249,950	249,950
CLX Networks South Africa (PTY) Ltd	2013/128948/07	South Africa	100	100	-	-
CLX Networks Nigeria Limited	1210794	Nigeria	99.99	99.99	-	-
CLX Networks Italy S.R.L.	4265200230	Italy	100	100	-	-
CLX Networks Inc.	20-3937075	United States	100	100	-	-
CLX Networks Canada	924-4933	Canada	100	100	-	-
CLX Networks UK Ltd	9068965	United Kingdom	100	100	-	-
CLX Networks Singapore PTE LTD	201423573W	Singapore	100	100	-	-
CLX Networks AB Telekomünikasyon LTD. STI.	866349	Turkey	51	51	-	-
Mblox Italia S.R.L.	04491540961	Italy	100	100	-	-
Mblox France S.R.L.	448324285	France	100	100	-	-
mBlox Northern Europe AB*	556587-6843	Stockholm	-	100	-	-
CLX Networks Lund AB*	556715-6418	Lund	-	100	-	-
Convaneer US LLC	4567684	United States	100	100	-	-
Symsoft AB	556353-1333	Stockholm	100	100	100,000	100,000
Caleo Technologies AB**	556227-0780	Gothenburg	100	66.67	-	-
CLX Communications Poland Sp z o.o.	0000643951	Poland	100	100	-	-
CLX Communications Holding AB	559061-2791	Stockholm	100	100	50	50
CLX Communications GmbH	HRB 202010	Germany	100	-	-	-
CLX Networks Australia PTY Ltd	608286979	Australia	100	100	-	-
Mblox GmbH	143/160/50205	Germany	100	100	-	-
Mblox Spain Telecomunicaciones SL	B82966078	Spain	100	100	-	-
Mblox Asia Pacific PTE LTD	200007936G	Singapore	100	100	-	-
CLX Communications Ltd	03049312	United Kingdom	100	100	-	-
Mblox UK Ltd	04334317	United Kingdom	100	100	-	-
Nextgen Mobile Ltd	04775987	United Kingdom	100	100	-	-
Mblox SA (PTY) Ltd	2012/217923/07	South Africa	100	100	-	-
CLX U.S. Holding Inc.	20163012208	United States	100	100	-	-
CLX Communications Inc.	77220277010	United States	100	100	-	-
Bitmo CA US Inc.	C2180875	United States	100	100	-	-
Mblox Brazil	16.462.330	Brazil	100	100	-	-
Mblox Malaysia Sdn Bhd	870260-U	Malaysia	100	100	-	-
Dialogue Group Ltd	06766972	United Kingdom	100	-	-	-
Dialogue Communications Ltd	3042634	United Kingdom	100	-	-	-
Dialogue Communications PTY Ltd	812,155,238	Australia	100	-	-	-
Dialogue Malta Ltd	C66149	Malta	100	-	-	-
Dialogue Communications Singapore PTE LTD	201314618E	Singapore	100	-	-	-
Dialogue Group HK Ltd	2080363	Hong Kong	100	-	-	-
Sinch AB	556969-5397	Stockholm	100	100	180,230	180,105
Sinch Incitament AB	559068-5441	Stockholm	100	100	-	-
Sinch Mobile Inc.	37-1539008	United States	100	100	-	-
Sinch Ltd	09600484	United Kingdom	100	100	-	-
Carrying amount in the parent company					**530,230**	**530,105**

NOTE 17 - DEFERRED TAX

DEFERRED TAX ASSETS	Group 31 Dec 2017	Group 31 Dec 2016
Loss carryforward	173,419	17,050
Warrants and derivatives	8,503	8,239
Provisions	9,473	4,337
Total deferred tax assets	**191,395**	**29,626**
DEFERRED TAX LIABILITIES		
Untaxed reserves	-12,642	-11,597
Proprietary software	-25,077	-20,329
Customer relationships	-130,790	-240,459
Operator relationships	-25,807	-17,551
Trademarks	-	-213
Provisions	-1,916	-
Total deferred tax liabilities	**-196,232**	**-290,149**
Net deferred tax	**-4,837**	**-260,523**

Timing differences exist when the carrying amount and the amount attributed to the asset or liability for tax differ. Timing differences relating to the items above have resulted in deferred tax assets and deferred tax liabilities. The changes have been recognized in comprehensive income for the year.

	Group				
CHANGE IN DEFERRED TAX	Balance at opening date 1 Jan 2017	Recognized in profit and loss	Recognized in other comprehensive income	Through acquisition or divestment	Balance on the closing date 31 Dec 2017
Non-current assets	-278,552	99,911	18,819	-21,852	-181,674
Provisions	4,337	5,159	78	-2,017	7,557
Loss carryforward	17,050	-8,955	1,479	163,845	173,419
Untaxed reserves	-11,597	-1,045	-	-	-12,642
Warrants and derivatives	8,239	-1,786	2,050	-	8,503
Total	**-260,523**	**93,284**	**22,426**	**139,976**	**-4,837**

	Group				
CHANGE IN DEFERRED TAX	Balance at opening date 1 Jul 2015	Recognized in profit and loss	Recognized in other comprehensive income	Through acquisition or divestment	Balance on the closing date 31 Dec 2016
Non-current assets	-1,825	10,459	-14,140	-273,046	-278,552
Provisions	157	4,011	169	-	4,337
Loss carryforward	71	940	39	16,000	17,050
Untaxed reserves	-5,722	-5,875	-	-	-11,597
Warrants and derivatives	-615	8,854	-	-	8,239
Total	**-7,934**	**18,390**	**-13,933**	**-257,046**	**-260,523**

Tax assets are presented with (+) and tax liabilities are presented with (-) i the tables above.

INCLUDED IN THE BALANCE SHEET	Group 31 Dec 2017	Group 31 Dec 2016
Deferred tax asset utilized after more than 12 months	148,554	25,289
Deferred tax liability settled after more than 12 months	-167,126	252,958

LOSS CARRYFORWARDS

Deferred tax assets arising from loss carryforwards are recognized to the extent that it is probable that they can be utilized against taxable income. The final years in which these loss carryforwards can be utilized are shown on the table.

	Group	
EXPIRATION YEAR, LOSS CARRYFORWARDS	Loss carry-forward	Tax effect
2018	12,641	2,655
2019	12,641	2,655
2020	12,641	2,655
2021	12,641	2,655
2022	12,641	2,655
2023	12,641	2,655
2024	12,641	2,655
2025	12,641	2,655
2026	12,641	2,655
Expires after 2026	68,172	14,316
Unlimited utilization period	753,156	135,208
Total	**935,097**	**173,419**

	Group	
LOSS CARRYFORWARDS BY COUNTRY	Loss carry-forward	Tax effect
Spain	8,599	2,150
United Kingdom	614,827	104,521
Sweden	129,732	28,541
United States	181,938	38,207
Total	**935,096**	**173,419**

NOTE 18 - ACCOUNTS RECEIVABLE

	Group	
ACCOUNTS RECEIVABLE	31 Dec 2017	31 Dec 2016
Accounts receivable	694,672	390,019
Doubtful receivables		
Opening balance	-17,619	-743
Through acquisitions of group companies	-1,132	-6,391
Reversals of previous provisions	16,206	1,292
Confirmed customer losses	3,179	2,841
Provisions for the year	-11,929	-14,762
Translation differences	369	144
Balance on the closing date	**-10,925**	**-17,619**
Net accounts receivable	**683,747**	**372,400**

The carrying amount for accounts receivable, net after provision for doubtful receivables has been assessed as equal to fair value.

	Group	
AGING REPORT, ACCOUNTS RECEIVABLE	31 Dec 2017	31 Dec 2016
Not due	547,836	331,150
Past due 1-30 days	97,486	36,482
Past due 31-60 days	19,103	7,799
Past due 61-90 days	2,627	6,443
Past due >91 days	27,620	8,145
Total	**694,672**	**390,019**

The company's assessment is that the payment will be received for accounts receivable that are past due but which have not been impaired because the customer's payment history is good.

NOTE 19 - OTHER CURRENT RECEIVABLES

	Group		Parent company	
OTHER CURRENT RECEIVABLES	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
VAT receivable	50,813	19,286	2,113	176
Derivatives	1,268	-	-	-
Advances to suppliers	-	1,385	-	-
Other current receivables	9,151	9,531	-	1
Total	**61,232**	**30,202**	**2,113**	**177**

NOTE 20 - PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent company	
PREPAID EXPENSES AND ACCRUED INCOME	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Prepaid rent	6,502	4,474	2,743	-
Prepaid leasing charges	162	134	58	-
Prepaid insurance premiums	1,942	2,830	1,313	771
Prepaid services	4,678	5,331	1,108	-
Prepaid interest expense/accrued interest expense	-	10	-	-
Prepaid license fees	1,264	742	-	35
Prepaid data communications	164	47	-	-
Accrued income and prepaid traffic costs	90,045	156,086	-	-
Other	3,340	8,259	-	-
Total	**108,096**	**177,913**	**5,222**	**806**

NOTE 21 - EQUITY

SHARES AND SHARE CAPITAL, SEK	Ordinary shares	Preference shares	Share capital
Opening balance at 1 July 2015	1,000,000	81,081	54,054
Bonus issue	-	-	3,189,189
Share split 1:30	29,000,000	2,351,349	-
Conversion of preference shares to ordinary shares	2,432,430	-2,432,430	-
Rights issue	16,216,215	-	1,621,622
Non-cash issue	885,797	-	88,580
Closing balance at 31 December 2016	**49,534,442**	**0**	**4,953,444**
Rights issue	4,067,647	-	406,765
Closing balance at 31 December 2017	**53,602,089**	**-**	**5,360,209**

At 31 December 2017, authorized share capital comprised 53,602,089 shares. The quotient value of the shares is 0.10 (0.10). All shares are fully paid-in.

An extraordinary general meeting on 31 August 2015 resolved in favor of a bonus issue that increased the company's share capital by SEK 3,189,188.95 and to execute a 1:30 stock split, which increased the number of shares in the company to 32,432,430. In connection with the listing of the company in October 2015 all 2,432,430 preference shares were converted into ordinary shares.

A rights issue was executed in July 2016 in which existing shareholders were invited to subscribe for one share for each two shares held at a price of SEK 38.50 per share. The issue increased shares outstanding by 16,216,215 and the company raised SEK 624.3 million before issue costs, which amounted to SEK 14.4 million after tax.

The purchase consideration for Sinch AB was paid through a non-cash issue of 885,797 shares at SEK 94.75 each. The company raised SEK 83.9 million through the non-cash issue.

As authorized by the annual general meeting held 19 May 2017, a directed issue of 4,067,647 new shares was executed on 31 May at a subscription price of SEK 120 per share. The issue was executed to reduce debt and strengthen CLX's capacity for future acquisitions. The issue raised SEK 488.1 million before issue costs of SEK 8.0 million after tax.

RESERVES	Translation reserve	Revaluation reserve
Opening balance at 1 July 2015	71	-468
Translation differences	35,192	-
Hedge accounting, net investment in foreign operations	-10,354	-
Deferred tax	-7,521	-
Closing balance at 31 December 2016	**17,388**	**-468**
Put option, Caleo Technologies AB	-	600
Translation differences	25,830	-
Hedge accounting, net investment in foreign operations	-8,718	-
Deferred tax	2,182	-132
Closing balance at 31 December 2017	**36,682**	**0**

The translation reserve includes all exchange rate differences that arise upon translation of financial statements in a currency other than SEK, which is the Group's presentation currency. The translation reserve also includes exchange rate differences that arise upon revaluation of liabilities taken up as hedging instruments for a net investment in a foreign operation.

INCENTIVE PROGRAM

Under the incentive program decoded by the extraordinary general meeting held 5 December 2016, 1,205,700 warrants have been subscribed for by senior management personnel and key employees within CLX. The program is divided into three series, with exercise periods of 16 January - 16 April 2020, 2021 and 2022, respectively. All participants have been granted one third of their warrants in each series. The average fair value per warrant was SEK 9.56 at grant date. The exercise price is SEK 127.67 per share in all series.

Participants outside the US and the UK have paid a premium of SEK 9.56 per warrant, through which CLX has realized SEK 7.5 million in equity These participants received their warrants with no obligations, but CLX has the right to repurchase the warrants if the participant's employment with the company ends before the respective exercise point or if the participant wishes to transfer the warrants. The company repurchased 10,000 warrants during the period.

Participants in the US and the UK were granted their warrants against no monetary consideration and their warrants will vest over the course of the warrant program. For these participants, the warrant program contains terms and conditions according to which the participant must be an employee of CLX during the vesting period and that CLX's earnings per share must have increased by a minimum of 10 percent per year to qualify to subscribe for shares.

Payroll costs for vested warrants are included in profit and loss for the period of January to December 2017 in the amount of SEK 0.9 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.

ISSUED WARRANTS	
Outstanding warrants at 1 January 2017	-
Warrants alloted	1,205,700
Outstanding warrants at 31 December 2017	**1,205,700**
Of which in own custody	10,000

VESTED WARRANTS	
Vested as of 1 January 2017	-
Vested during the year	98,785
Vested as of 31 December 2017	**98,785**
Warrants not yet vested	298,715

NOTE 22 - OTHER NON-CURRENT LIABILITIES, INTEREST-BEARING

OTHER NON-CURRENT LIABILITIES	Group		Parent company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Bank loan	387,441	413,413	387,441	413,413
Finance leasing	282	443	-	-
Total	**387,722**	**413,856**	**387,441**	**413,413**

In conjunction with the acquisition of Mblox Inc. in July 2016, the existing bank loan was repaid and replaced by new credit facilities of USD 24.6 million, GBP 5.1 million and EUR 21.5 million. The first payment was due 30 June 2017 and the USD and EUR loans will subsequently be paid down quarterly at 5.44 percent through 31 March 2019 and the remainder upon maturity in May 2019, when the GBP loan will also be repaid in full. The bank loans accrue three-month interest with LIBOR and EURIBOR 3M as the interest base.

The credit facilities were expanded by GBP 12.5 million in conjunction with the acquisition of Xura Communications GmbH in February. The first payment was due 30 June 2017 and the loan will subsequently be paid down quarterly with GBP 800 thousand through 31 March 2019 and the remainder upon maturity in May 2019. The loan accrues three-month interest with LIBOR 3M as the interest base.

A new loan of GBP 32.7 million was raised in connection with the acquisition of Dialogue Group Ltd in May 2017. The loan was repaid in full in August 2017 with funds from the rights issue executed in May 2017.

CLX has a granted bank overdraft facility of SEK 100 million (100). As of 31 December 2017, SEK 0 million (0) had been utilized.

NOTE 23 - OTHER NON-CURRENT LIABILITIES,NON-INTEREST-BEARING

OTHER NON-CURRENT LIABILITIES, NON-INTEREST-BEARING	Group		Parent company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Earnout, Caleo Technologies AB	7,233	-	-	-
Earnout, Sinch AB	40,000	40,000	40,000	40,000
Debt to sellers of Dialogue Group Ltd	7,107	-	-	-
Derivatives	-	600	-	-
Total	**54,340**	**40,600**	**40,000**	**40,000**

Please refer to Note 34 for further disclosures concerning liabilities related to acquisitions.

NOTE 24 - PROVISION FOR RESTRUCTURING MEASURES

PROVISION FOR RESTRUCTURING MEASURES	Group	
	2017 12 mon	2015/16 18 mon
Balance at opening date	8,895	-
Provisions made during the year	15,048	35,166
Amounts used during the year	-12,259	-26,662
Translation differences	-426	391
Balance on the closing date	**11,258**	**8,895**

Restructuring costs refer to employee benefits expense of SEK 14,168 thousand (24,536) and other external expenses of SEK 880 thousand (10,630) for premises and advisory services.

The expected outward payments for 2018 amount to SEK 11,258 thousand (8,895).

NOTE 25 - OTHER NON-CURRENT LIABILITIES, INTEREST-BEARING

OTHER CURRENT LIABILITIES, INTEREST-BEARING	Group		Parent company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Bank loan	125,682	70,091	125,682	70,091
Total	**125,682**	**70,091**	**125,682**	**70,091**

The bank loan accrues three-month interest with LIBOR and EURIBOR 3M as the interest base. See Note 22 for further disclosures.

NOTE 26 - OTHER NON-CURRENT LIABILITIES, NON-INTEREST-BEARING

OTHER CURRENT LIABILITIES, NON-INTEREST-BEARING	Group		Parent company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
VAT, tax withheld at source	24,388	28,994	979	683
Derivatives	69	-	-	-
Other current liabilities	1,085	474	-	-
Total	**25,542**	**29,468**	**979**	**683**

NOTE 27 - ACCRUED EXPENSES AND PREPAID INCOME

ACCRUED EXPENSES AND PREPAID INCOME	Group		Parent company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Accrued salaries	10,311	14,168	4,403	4,403
Accrued annual leave pay	13,028	11,894	369	369
Accrued social security contributions, including pension	10,780	17,213	1,525	1,525
Accrued interest expenses	98	1,501	1,501	1,501
Accrued external services	20,331	11,591	1,490	1,490
Accrued traffic costs	333,156	236,000	-	-
Other items	20,969	7,991	1,365	1,365
Total	**408,674**	**300,358**	**10,653**	**10,653**

NOTE 28 - UNTAXED RESERVES

UNTAXED RESERVES	Parent company	
	31 Dec 2017	31 Dec 2016
Tax allocation reserve	6,578	6,578
Accelerated depreciation/amortization	1,729	-
Total	**8,307**	**6,578**

NOTE 29 - PLEDGED ASSETS

PLEDGED ASSETS	Group		Parent company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
As collateral for own debt and provisions				
Shares	382,602	322,449	349,950	349,950
Corporate mortgages	45,000	45,000	-	-
Guarantees	5,602	4,402	-	-
Total	**433,204**	**371,851**	**349,950**	**349,950**

The shares in CLX Networks AB and Symsoft AB have been pledged as collateral for the obligations within the current loan agreement. The group value of the pledged assets amounts to SEK 382.6 million (322.4). According to the agreement, the lenders have the right to sell the collateral if an event of default exists and agreement cannot be reached. The collateral can only be sold if an event of default is still ongoing; that is, it exists when the sale is executed. In addition, corporate mortgages of SEK 45 million (45) were pledged as collateral for the loan agreement.

NOTE 30 - RELATED-PARTY TRANSACTIONS

Intragroup transactions between the parent company and its subsidiaries, which are related parties to the parent company, have been eliminated on consolidation and disclosures concerning the Group are therefore not provided.

Parent company

Sales to group companies comprise 100 percent of net sales in the parent company. Receivables and liabilities to group companies are presented in the parent company balance sheet.

Disclosures concerning compensation to senior management personnel are provided in Note 8.

NOTE 31 - FINANCIAL ASSETS AND LIABILITIES

GROUP 31 DEC 2017	Loan and accounts receivable	Other liabilities	Financial assets and liabilities at fair value through profit or loss	Total carrying amount and fair value
Deposits paid, Note 16	2,949	-	-	2,949
Derivatives, Level 2, Note 19	-	-	1,268	1,268
Long-term accounts receivable, Note 16	15,168	-	-	15,168
Accounts receivable, Note 18	683,747	-	-	683,747
Cash and cash equivalents	164,588	-	-	164,588
Total	**866,452**	**-**	**1,268**	**867,720**
Long-term loans payable, Note 22	-	387,441	-	387,441
Short-term loans payable, Note 25	-	125,682	-	125,682
Accounts payable	-	259,416	-	259,416
Derivatives, Level 2, Note 26	-	-	69	69
Earnout, Level 3, Note 23	-	47,233	-	47,233
Accrued interest expense, Note 27	-	98	-	98
Total	-	**819,870**	**69**	**819,939**

GROUP 31 DEC 2016	Loan and accounts receiv-able	Other liabilities	Financial assets and liabilities at fair value through profit or loss	Total carrying amount and fair value
Deposits paid, Note 16	248	-	-	248
Derivatives, Level 3, Note 16	-	-	600	600
Long-term accounts receivable, Note 16	3,032	-	-	3,032
Accounts receivable, Note 18	372,400	-	-	372,400
Cash and cash equivalents	115,342	-	-	115,342
Total	**491,022**	**-**	**600**	**491,622**
Long-term loans payable, Note 22	-	413,413	-	413,413
Short-term loans payable, Note 25	-	70,091	-	70,091
Accounts payable	-	259,073	-	259,073
Derivatives, Level 3, Note 23	-	-	600	600
Earnout, Level 3, Note 23	-	40,000	-	40,000
Accrued interest expense, Note 27	-	1,501	-	1,501
Total	-	**784,078**	**600**	**784,678**

LEVELS

Financial assets and liabilities measured at fair value in the balance sheet, or where the fair value is disclosed, are classified in one of three levels based on the information used to measure fair value.

Level 1 – Financial instruments whose fair value is determined based on observable (unadjusted) quoted prices in an active market for identical assets or liabilities. A market is considered active if quoted prices from a stock exchange, broker, industry group, pricing service or supervisory body are readily and regularly available and those prices represent actual and regularly occurring market transactions at arm's length.

Level 2 - Financial instruments whose fair value is determined using valuation techniques based on other observable market data than quoted prices for the asset or liability included in level 1, either directly (as prices) or indirectly (derived from prices). Examples of observable data in level 2 are:

- Quoted prices on similar assets or liabilities.
- Data upon which a judgment of a price can be based, such as market interest rates and yield curves.

Level 3 - Financial instruments whose fair values are determined using valuation techniques where significant input is based on unobservable data.

DETERMINATION OF FAIR VALUE

CLX uses the following methods and assumptions to determine the fair value of financial instruments recognized.

Derivatives - Foreign currency forward contracts are measured at level 2. The measurement is performed by discounting future cash flows based on the difference between the contractual forward rate and spot rate on the reporting date. Call options referring to the acquisition of the remaining shares in subsidiaries are measured at level 3. Liability for put options referring to the acquisition of the remaining shares in subsidiaries are measured at level 3 to the present value of future payment.

Earnouts - Earnouts referring to the acquisition of shares in subsidiaries are measured at level 3 to the present value of future payment.

The carrying amounts of other financial assets and liabilities are considered a good approximation of the fair values due to short maturity or short fixed-interest periods and because the credit margin has not changed.

Net gains/losses from financial assets and liabilities by measurement category

GROUP 2017 12 MONTHS	Loan and accounts receivable	Other liabilities	Financial assets and liabilities at fair value through profit or loss	Total
Net financial income/expenses				
Interest income/ expenses	1,267	-16,677	-	-15,410
Exchange rate differences	-83,115	50,249	-998	-33,864
Total	**-81,848**	**33,572**	**-998**	**-49,274**
2015/16 18 MONTHS				
Net financial income/expenses				
Interest income/ expenses	1,358	-7,984	-	-6,626
Exchange rate differences	4,856	9,971	63	14,890
Total	**6,214**	1,987	**63**	**8,264**

Operating profit includes net exchange rate differences of SEK -1,179 thousand (-285). As the amount is considered immaterial, no distribution by measurement category has been made.

NOTE 32 - **RISK EXPOSURE AND RISK MANAGEMENT**

In the course of its operations, CLX is exposed to various types of financial risk. Financial risk refers to fluctuations in the company's earnings and cash flow consequent upon changes in exchange rates, interest rates, refinancing risks and credit risks. CLX aims to minimize the effects of these risks by using derivatives to hedge risk exposure. The frameworks for exposure, management and monitoring of financial risks are set by the board of directors in the finance policy which is revised annually and which specifies the permitted use of derivatives. Compliance with policies and exposure are reviewed on a continuous basis. The group does not engage in speculative trading in financial instruments.

LIQUIDITY RISK AND FINANCING RISK

Liquidity risk is the risk that the Group might have difficulty performing its obligations associated with financial liabilities. Liquidity planning is used to manage liquidity risk and minimize the cost of financing the Group. The group's policy is to minimize the borrowing requirement by using surplus liquidity in the Group in cash pools. Liquidity risks for the Group are managed centrally within the parent company. CLX has a granted bank overdraft facility of SEK 100 million (100), none of which had been drawn as of 31 December 2017 (-). Loan financing is subject to covenants, i.e. that certain performance indicators are met. The performance indicators are calculated based on CLX's EBITDA, cash flow, investments, interest expenses, equity/assets ratio and net debt. CLX analyzes these indicators on an ongoing basis and meets the limits specified in the covenants.

At year-end, CLX's financial liabilities amounted to SEK 819.9 million (787.7), see Note 31, and the maturity structure is shown on the table below. Future payments of principal and interest on loan debt are included in the table estimated on the basis of the exchange rate and interest rate on the reporting date.

		31 Dec 2017				
GROUP	Original currency	Total	0-3 months	4-12 months	13-24 months	25-36 months
Bank loan	GBP	175,664	9,799	29,205	38,174	98,486
Bank loan	EUR	181,868	12,185	36,372	47,811	85,500
Bank loan	USD	179,395	12,433	36,910	47,756	82,296
Derivatives	SEK	69	69	-	-	-
Accounts payable	See table	259,416	259,416	-	-	-
Earnouts	SEK	43,617	-	40,000	-	3,617
Total		**840,029**	**293,902**	**142,487**	**133,741**	**269,899**

		31 Dec 2016				
GROUP	Original currency	Total	0-3 months	4-12 months	13-24 months	25-36 months
Bank loan	GBP	60,334	342	995	1,330	57,667
Bank loan	EUR	213,000	910	36,148	47,513	128,429
Bank loan	USD	236,455	1,576	40,991	53,470	140,418
Derivatives	SEK	600	-	-	600	-
Accounts payable	See table	259,073	259,073	-	-	-
Earnouts	SEK	40,000	-	-	40,000	-
Total		**809,462**	**261,901**	**78,134**	**142,913**	**326,514**

MARKET RISK

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in the market price. Market risk are categorized by IFRS into three types: interest rate risk, currency risk and other price risks. The market risks that primarily affect the Group are interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market rates. Interest rate risk can lead to a change in cash flows. The fixed interest term is a significant factor affecting the interest rate risk. CLX's loan financing is carried at a three-month rate. An interest change of 100 points based on interest-bearing liabilities at the reporting date would affect the Group's future profit before tax by +/- SEK 8.1 million (9.0). The sensitivity analysis assumes that all other factors, such as exchange rates, remain constant.

Currency risk

The risk that fair values and cash flows relating to financial instruments may fluctuate when the value of foreign currencies change is called currency risk. CLX is exposed to various types of currency risks. The primary exposure originates in sales and purchases denominated in foreign currencies. These currency risks consist of the risk of fluctuations in the value of accounts receivable and accounts payable and the currency risk in expected and contracted payment flows. These risks are called transaction exposure. The group engages in currency hedging only to a very limited extent. In the past, CLX hedged previously forecast currency flows, but no longer does this. CLX always aims to match revenues and costs in the same currency to the greatest extent possible.

Currency risk also arises in the translation of the assets and liabilities of foreign subsidiaries to the parent company's functional currency, which is called translation exposure. Hedge accounting is applied when the criteria for doing so are met. Exchange rate differences are included in consolidated profit and loss at SEK -1.2 million (-0.3) in operating profit and at SEK -33.9 million (15.5) in financial income and expenses.

Transaction exposure

CLX's transaction exposure is mainly distributed among the following currencies; amounts in SEK thousands translated to the closing day rate.

Original currency	Accounts receivable	Accrued income	Cash and cash equivalents	Accounts payable	Accrued traffic costs	Bank loan	Total
				31 Dec 2017			
SEK	-770	3,957	-5,832	-24,817	-7,068	2,336	-32,194
AED	-	-	-701	-75	-21	-	-797
AUD	27,124	458	11,088	-23,722	-11,595	-	3,353
CAD	3,038	2,083	4,383	-1,985	-3,311	-	4,208
CHF	-	-	-	-1,231	-1,286	-	-2,517
DKK	-	-16	-	-278	-312	-	-606
EUR	449,785	24,597	47,494	-82,004	-165,972	-177,208	96,692
GBP	103,579	21,579	-21,419	-74,735	-92,471	-168,788	-232,255
NOK	-29	-	365	-1,970	-1,731	-	-3,365
NZD	-2,161	-340	585	-4,191	-1,063	-	-
PLN	-	-	777	-1,017	-762	-	-1,002
SGD	5,687	-	7,357	-1,908	-5,922	-	5,214
TRY	211	-	1,582	-905	-	-	888
USD	96,604	36,027	118,212	-39,029	-39,974	-169,462	2,378
ZAR	-759	-	665	-38	-	-	-132
Other currencies	1,438	1,700	32	-1,511	-1,668	-	-9
Total	**683,747**	**90,045**	**164,588**	**-259,416**	**-333,156**	**-513,122**	**-160,144**

Original currency	Accounts receivable	Accrued income	Cash and cash equivalents	Accounts payable	Accrued traffic costs	Bank loan	Total
				31 Dec 2016			
SEK	4,232	1,992	-55,153	-17,345	-4,420	2,985	-67,709
AED	304	-	257	-	-	-	561
AUD	6,838	6,322	5,882	-7,922	-5,714	-	5,406
CAD	2,285	1,217	518	-615	-2,225	-	1,180
CHF	-	354	-	-1,909	-1,014	-	-2,569
DKK	17	-	8,716	-49	-58	-	8,626
EUR	243,834	52,248	100,732	-116,518	-93,431	-205,688	-18,823
GBP	41,715	29,639	7,755	-44,912	-83,898	-57,011	-106,712
NOK	1,021	3,283	246	-3,430	-2,155	-	-1,035
PLN	-	-	-558	-667	-664	-	-1,889
SGD	-	-	2,126	-4,789	-2,371	-	-5,034
TRY	56	-	2,032	-615	-	-	1,473
USD	69,705	60,752	42,977	-57,521	-36,905	-223,789	-144,781
ZAR	95	19	-211	-7	-199	-	-303
Other currencies	2,298	260	23	-2,774	-2,946	-	-3,139
Total	**372,400**	**156,086**	**115,342**	**-259,073**	**-236,000**	**-483,503**	**-334,748**

Sensitivity to transaction exposure

Based on transaction exposure as of 31 December 2017 above and excluding any currency hedges, CLX's profit before tax would have been affected by +/- SEK 12.8 million (26.7) if exchange rates against the Swedish krona were to change by 10 percent . The largest exposures are against EUR, GBP, SGD and USD. If exchange rates for these currencies against the Swedish krona were to change by 10 percent, CLX's profit before tax would be affected by +/- SEK 9.7 million (1.9), SEK 23.2 million (10.7), SEK 0.5 million (0.5), and SEK 0.2 million (14.5), respectively.

TRANSLATION EXPOSURE

Foreign net assets in the Group are distributed among the following currencies:

	31 Dec 2017			31 Dec 2016		
Original currency	Net investment	Hedged net investment	Net exposure	Net investment	Hedged net investment	Net exposure
AUD	37,294	-	37,294	1,982	-	1,982
CAD	10,043	-	10,043	3,633	-	3,633
EUR	179,336	-177,207	2,129	19,042	-19,042	0
GBP	729,073	-127,776	601,297	236,584	-57,011	179,573
MYR	-318	-	-318	-269	-	-269
NGN	311	-	311	326	-	326
PLN	249	-	249	25	-	25
SGD	4,372	-	4,372	118	-	118
TRY	2,342	-	2,342	1,416	-	1,416
USD	1,381,533	-390,139	991,394	1,593,961	-1,079,844	514,117
ZAR	128	-	128	125	-	125
Total	**2,344,363**	**-695,122**	**1,649,241**	**1,856,943**	**-1,155,897**	**701,045**

Sensitivity to translation exposure

Consolidated equity would be affected by +/- SEK 164.9 million (70.1) if the Swedish krona were to change by 10 percent against all the currencies against which CLX has translation exposure, based on the exposure as of 31 December 2017 as above, including hedges but excluding any effect on equity due to the currency translation of other items included in profit for the year. Please refer to Note 1 *Accounting and measurement principles* with regard to hedge accounting.

CREDIT RISK

The risk that CLX's customers will not meet their obligations, that is that payment is not obtained from customers, is a customer credit risk. CLX has historically had very low credit losses. Many of the Group's customers are highly reputable companies with high credit ratings. CLX also applies a policy of credit checking its customers, whereupon information about customers' financial position is obtained from credit rating firms. Credit classifications are done to a certain extent; for example, the customer may be required to pay in advance. CLX has established rules for how doubtful receivables must be managed. Past-due accounts receivable are impaired after individual assessment.

The maximum credit exposure for the financial assets of CLX amounts to SEK 866.5 million (491.0), see Note 31. CLX has no collateral that can be claimed.

CAPITAL MANAGEMENT

CLX defines its managed capital as consolidated equity. CLX must have a robust financial position and good liquidity. This provides the financial scope for action and independence required to run the business and manage variations in the need for capital employed and to benefit from business opportunities. The board of directors of CLX decides the company's capital structure and dividend policy. Management of the capital structure is aimed at creating balance among equity, loan financing and liquidity so that CLX assures the financing of the business at a reasonable cost of capital. CLX endeavors to finance growth, normal investments and dividends to shareholders by generating sufficient positive cash flow from operating activities.

DIVIDEND POLICY

CLX's target is to distribute at least 30 percent of profit for the year. The board will consider CLX's financial position, cash flow, acquisition opportunities and outlook prior to proposing any distribution of dividends.

DEBT POLICY

CLX's capital structure should enable a high degree of financial flexibility and enable acquisitions. CLX's target is maximum net debt of two times EBITDA for the preceding 12 months

NOTE 33 - **CASH FLOW STATEMENT**

	Group		Parent company	
CASH AND CASH EQUIVALENTS	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Cash and bank balances	164,588	115,342	10	21,210

	Group		Parent company	
INTEREST	2017 12 mon	2015/16 18 mon	2017 12 mon	2015/16 18 mon
Interest received	2,495	1,535	7,503	458
Interest paid	-19,318	-6,565	-20,244	-7,304
Net interest	**-16,823**	**-5,030**	**-12,741**	**-6,846**

ADJUSTMENT FOR NON-CASH ITEMS	Group 2017 12 months	Group 2015/16 18 months	Parent company 2017 12 months	Parent company 2015/16 18 months
Depreciation, amortization and impairments	138,263	49,455	-	-
Profit or loss from sale of equipment	-570	-	-	-
Profit or loss from sale of mobile payments business	-3,317	-	-	-
Change in provision for doubtful receivables	-2,550	11,579	-	-
Adjusted liability earnout Xura	-11,752	-	-	-
Unrealized exchange rate differences	23,402	-12,680	14,696	14,696
Fair value derivatives	-4,539	2,795	-	-
Not paid/received interest	-1,403	1,506	1,489	1,489
Provisions	2,782	8,505	-	-
Total	**140,315**	**61,160**	**16,185**	**16,185**

RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES - GROUP	Opening balance at 1 January 2017	Cash flow from financing activities	Effect of fluctuations in exchange rates	Acquisition of Group companies	Closing balance at 31 December 2017
Bank loan	483,504	79,090	-49,472	-	513,122
Financial leasing liability	443	-161	-	-	282
Debts to sellers of acquired Group companies	40,000	-	-	14,340	54,340
Total	**523,947**	**78,929**	**-49,472**	**14,340**	**567,744**

RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES - PARENT COMPANY	Opening balance at 1 January 2017	Cash flow from financing activities	Effect of fluctuations in exchange rates	Acquisition of Group companies	Closing balance at 31 December 2017
Bank loan	483,504	79,090	-49,472	-	513,122
Debts to Group companies	220,546	-7,150	-	-	213,396
Total	**704,050**	**71,940**	**-49,472**	**-**	**726,518**

NOTE 34 - ACQUISITION OF GROUP COMPANIES

2017

XURA

On 16 February, CLX acquired 100 percent of the share capital in Xura Secure Communications GmbH, one of the leading mobile messaging services providers in Germany, where it has a market share above 30 percent . Xura has a strong position in the banking, logistics and aviation sectors, where it has been delivering solutions including secure login for online banks, notification services for logistics companies and check-in services for airlines for several years.

The purchase consideration was EUR 14.7 million (SEK 138.0 million) on a cash- and debt-free basis. The purchase consideration was paid in cash. The purchase agreement also included a possible earnout based on the company's gross profit performance. According to the preliminary acquisition analysis, goodwill of SEK 87.0 million arose upon acquisition, mainly attributable to the expertise and expanded geographic range contributed by Xura. As the target required to trigger the earnout was not met, the earnout and goodwill have been impaired by the corresponding amount, SEK 11.8 million. The estimated useful lives are ten years for customer relationships, five years for operator relationships and three years for proprietary software.

DIALOGUE

CLX acquired 100 percent of the share capital in Dialogue Group Ltd on 10 May. The purchase consideration was GBP 32.0 million (SEK 368.7 million) on a cash- and debt-free basis. Compensation for cash and cash equivalents and the majority of working capital was paid to the sellers in October. The remainder has been recognized as a liability. According to the preliminary acquisition analysis, goodwill of SEK 273.7 million arose upon acquisition, mainly attributable to the expertise and expanded geographic range contributed by Dialogue. The estimated useful lives of customer relationships, operator relationships and proprietary software is ten years. The estimated useful lives of customer relationships in mobile payment services is three years. These were written down in conjunction with the sale of that part of the business and the residual value is included in the net proceeds of the sale.

MBLOX

The acquisition analysis relating to the preceding year's acquisition of Mblox was completed during the second quarter of 2017. This included examination of tax-related losses, which resulted in recognition of an additional SEK 153.0 million in deferred tax assets. Deferred tax liabilities on acquired intangible assets have been reduced by SEK 35.5 million due to a change in the tax rate from 40 percent to 34 percent. Goodwill, including other adjustments, was reduced by SEK 187.2 million.

MINORITY IN CALEO

On 4 July, CLX acquired the remaining 33 percent of the share capital in Caleo Technologies AB from the minority owners. Caleo develops software that CLX sells as part of its offering to operators under the Symsoft brand. The purchase consideration was SEK 5.7 million and was paid in cash. The purchase agreement also includes two possible earnouts, which may be paid during the third quarters of 2020 and 2022, respectively. The earnouts are based on sales of the company's license to new customers. The anticipated outcome amounts to SEK 7.2 million and has been recognized as a liability.

ACQUISITION ANALYSIS

Preliminary acquisition analyses for Xura and Dialogue and final acquisition analysis for Mblox.

FAIR VALUE OF ACQUIRED NET ASSETS	Xura	Dialogue	Mblox
Customer relationships	81,065	9,229	585,417
Customer relationships, PSMS	-	5,761	-
Operator relationships	2,744	76,290	40,734
Proprietary software	4,737	21,109	-
Property, plant and equipment and other intangible assets	1,069	5,085	10,919
Financial assets	-	-	6,334
Deferred tax assets	-	10,798	155,115
Current assets	43,550	110,930	170,667
Cash and cash equivalents	9,265	61,301	61,046
Deferred tax liabilities	-29,220	-28,19	-214,994
Other provisions	-	-73	-
Current liabilities	-37,177	-108,446	-220,383
Total acquired net assets	**76,032**	**163,785**	**594,855**

ALLOCATION OF PURCHASE CONSIDERATION

PURCHASE CONSIDERATION	Xura	Dialogue	Mblox	Caleo
Original purchase consideration	138,021	368,717	966,587	5,661
Earnout, recognized as a liability	11,754	-	-	7,233
Settlement, working capital	11,216	7,426	746	-
Settlement, debts	-7,239	-	-	-
Settlement, cash and cash equivalents	9,265	61,301	61,046	-
Total consideration	**163,017**	**437,444**	**1,028,379**	**12,894**
Fair value of acquired net assets	-76,032	-163,785	-594,855	-
Goodwill	**86,985**	**273,658**	**433,524**	**-**

EFFECTS OF ACQUISITIONS ON CONSOLIDATED CASH AND CASH EQUIVALENTS

INVESTING ACTIVITIES	Xura	Dialogue	Sinch	Caleo
Original purchase consideration	138,021	368,717	-	5,661
Settlement, working capital	11,216	471	-	-
Settlement, debts	-7,239	-	-	-
Settlement, cash and cash equivalents	9,265	61,301	-	-
Cash and equivalents in acquired subsidiaries	-9,265	-61,301	-	-
Direct costs relating to acquisitions	3,354	5,790	126	-
Effects of acquisitions on consolidated cash and cash equivalents:	**145,352**	**374,978**	**126**	**5,661**

CONTRIBUTION OF ACQUIRED COMPANIES TO CONSOLIDATED SALES AND PROFIT, INCLUDING RESTRUCTURING COSTS

2017	Xura	Dialogue	Total
Net sales	266,966	287,962	554,928
Profit after tax for the year	5,632	20,341	25,973

THE FOLLOWING TABLE SHOWS SALES AND PROFIT AS IF THE ACQUISITIONS HAD TAKEN PLACE ON 1 JANUARY 2017

2017	Xura	Dialogue	Other companies	Depreciation/amortization of acquired assets	Total
Net sales	302,740	428,317	2,502,762	-	3,233,819
Profit after tax for the year	7,565	37,664	122,344	-15,188	152,385

2015/16

MBLOX

CLX acquired 100 percent of the share capital in Mblox Inc. on 11 July 2016. Mblox is one of the largest vendors in the A2P segment. Like CLX, Mblox has a global presence and customer base. CLX's strong position in Europe is complemented by Mblox's strong position in the United States, United Kingdom and Australia. Mblox had sales of USD 140.4 million in 2015 and EBITDA of USD 6.9 million. The average number of employees in 2015 was 171.

The purchase consideration was SEK 966.6 million (USD 117 million) on a cash- and debt-free basis. The purchase consideration was paid in cash. The agreed level of working capital was settled in November 2016 and a payment was made of SEK 0.7 million (USD 81 thousand). Upon acquisition, goodwill of SEK 620.7 million (USD 76.2 million) arose, mainly attributable to the expertise and expanded geographic range contributed by Mblox. Customer and operator relationships are estimated to have a useful life of ten years.

SINCH

CLX acquired 100 percent of the share capital in Sinch AB on 20 December 2016. Sinch is a leading developer of solutions for cloud-based voice communication and has, since it was founded in 2014, become a successful supplier to a number of global app and internet companies. In 2016, Sinch had net sales of approximately SEK 60 million, EBITDA of about SEK -15 million and 42 full-time employees.

The acquisition was paid with SEK 55.0 million in cash and through a non-cash issue of 885,797 shares in CLX at a price of SEK 94.75 per share, for total consideration of SEK 138.9 million. The purchase agreement also includes an earnout based on gross profit and EBITDA performance, and which could amount to a maximum of SEK 144 million. The anticipated outcome discounted to present value amounts to SEK 40 million and has been recognized as a liability. If the earnout is triggered it will become due for payment around the end of 2018/beginning of 2019.

Upon acquisition, goodwill of SEK 91.0 million arose, mainly attributable to the expertise contributed by the employees at Sinch. Customer and operator relationships and software developed in-house by Sinch are estimated to have a useful life of five years. The Sinch brand is estimated to have a useful life of one year.

ACQUISITION ANALYSIS

FAIR VALUE OF ACQUIRED NET ASSETS	Mblox	Sinch
Trademarks	-	1,000
Customer relationships	585,417	28,000
Operator relationships	40,734	5,700
Proprietary software	-	68,000
Other intangible assets	4,903	-
Property, plant and equipment	6,016	2,305
Financial assets	6,334	-
Deferred tax assets	2,068	13,932
Current assets	170,999	33,596
Cash and cash equivalents	61,046	21,430
Deferred tax liabilities	-250,460	-22,594
Non-current liabilities	-	-443
Current liabilities	-219,412	-62,961
Total acquired net assets	**407,645**	**87,965**

ALLOCATION OF PURCHASE CONSIDERATION

PURCHASE CONSIDERATION	Mblox	Sinch
Original purchase consideration	966,587	138,926
Earnout, recognized as a liability	-	40,000
Settlement, working capital	746	-
Settlement, cash and cash equivalents	61,046	-
Total consideration	**1,028,379**	**178,926**
Fair value of acquired net assets	-407,645	-87,965
Goodwill	**620,734**	**90,961**

EFFECTS OF ACQUISITIONS ON CONSOLIDATED CASH AND CASH EQUIVALENTS

INVESTING ACTIVITIES	Mblox	Sinch
Purchase consideration settled in cash	966,587	54,997
Settlement, working capital	746	-
Settlement, cash and cash equivalents	61,046	-
Cash and equivalents in acquired subsidiaries	-61,046	-21,430
Direct costs relating to acquisitions	15,934	1,178
Effects of acquisitions on consolidated cash and cash equivalents	**983,267**	**34,745**

CONTRIBUTION OF ACQUIRED COMPANIES TO CONSOLIDATED SALES AND PROFIT, INCLUDING RESTRUCTURING COSTS

2015/16	Mblox	Sinch
Net sales	584,816	1,361
Profit after tax for the year	47,109	657

THE TABLE BELOW SHOWS SALES AND PROFIT AS IF THE ACQUISITIONS OF MBLOX AND SINCH HAD TAKEN PLACE ON 1 JULY 2015

2015/16	Mblox	Sinch	CLX	Depreciation/ amortization of acquired assets	Elimination internal sales	Total
Net sales	1,751,466	74,869	1,803,839	–	-96,231	3,533,943
Profit after tax for the year	125,141	-28,180	94,158	-87,176	–	103,943

NOTE 35 - EVENTS AFTER THE END OF THE FINANCIAL YEAR

ACQUISITION OF UNWIRE

The acquisition of 100 percent of the share capital in Unwire Communication ApS (Unwire) was finalized on 27 March 2018. The company will be included in the consolidated financial statements from that date. The purchase consideration was DKK 148 million on a cash- and debt-free basis. Unwire is based in Copenhagen and have around 20 employees. Unwire had net sales in 2017 of approxiamately DKK 80 million with an adjusted EBITDA of approximately DKK 24 million. The accounting of the business combination was not completed by the reporting date. Consequently, it was not possible to provide certain information in this annual report.

ACQUISITION OF VEHICLE

The acquisition of 100 percent of the share capital in Vehicle Agency LLC (Vehicle) was finalized on 4 April 2018. The company will be included in the consolidated financial statements from that date. The purchase consideration was USD 8 million on a cash- and debt-free basis with a possible earnout of USD 4 million. Vehicle is based in Seattle and have around 10 employees. Vehicle had net sales in 2017 of approxiamately USD 6 million with an adjusted EBITDA of approximately USD 920 thousand. The accounting of the business combination was not completed by the reporting date. Consequently, it was not possible to provide certain information in this annual report.

INCREASED CREDIT FACILITIES

CLX increased its credit facilities by DKK 100 million to finance the acquisition of Unwire Communication ApS. The loan is repaid by 5 percent per quarter beginning 30 June 2018 and through 31 March 2019. The remainder will be repaid when loan matures in May 2019.

NEW CEO

On 18 April 2018, it was announced that the board of CLX has appointed Oscar Werner as new president and CEO of CLX Communications. He will assume his position on 1 September 2018. Johan Hedberg will take on a new role as Corporate Development Manager and remain in the Group Management team.

NOTE 36 - PROPOSED ALLOCATION OF PROFIT

The board of directors will propose to the annual general meeting that no dividend is distributed for the financial year of 2017.

The following non-restricted equity in the parent company is at the disposal of the annual general meeting, SEK:

Share premium reserve	1,351,754,881
Retained earnings	53,244,342
Profit for the year	7,820,787
Total	**1,412,820,010**

The Board of Directors proposes that profit be allocated as follows, SEK:

Carried forward to the share premium reserve	1,351,754,881
Retained	61,065,129
Total	**1,412,820,010**

CERTIFICATION AND SIGNATURES

The board of directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, and that the annual report has been prepared in accordance with generally accepted accounting principles in Sweden. The annual report and the consolidated financial statements present fairly, in all material respects, the financial position and financial performance of the parent company and the Group. The management report for the parent company and the Group presents a fair overview of the development of the parent company's and the Group's operations, financial position and financial performance and describes significant risks and uncertainties faced by the parent company and the companies included in the Group The consolidated financial statements and the parent company financial statements will be presented to the annual general meeting for adoption on 18 May 2018.

Stockholm, 27 April 2018

ERIK FRÖBERG
Chairman

KJELL ARVIDSSON
Director

CHARLOTTA FALVIN
Director

RENÉE ROBINSON STRÖMBERG
Director

JOHAN STUART
Director

BJÖRN ZETHRAEUS
Director

JOHAN HEDBERG
Chief Executive Officer

Our audit report was submitted
27 April 2018, Deloitte AB

ERIK OLIN
Authorized Public Accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders in CLX Communications AB (publ), corporate registration number 556882-8908.

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annual accounts and consolidated accounts of CLX Communications AB (publ) for the financial year beginning 1 January 2017 and ending 31 December 2017. The company's annual accounts and consolidated financial statements are presented on pages 16-65 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2017 and of its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2017 and of its financial performance and cash flows for the year in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory management report is consistent with other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the annual accounts and consolidated financial statements are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ALLOCATION AND ACCRUALS OF REVENUE

CLX Communications generates revenues mainly from mobile messaging services and sales of software licenses, upgrades, hardware and support. The company's revenues are a significant item that comprises a large number of small transactions and which are attributable to customer-specific contracts where accounting judgments are required of the company.

The group's policy for revenue recognition along with significant estimations and judgments are described in Note 1. Revenue distributed by the operating segments, the Enterprise Division, the Operator Division and Sinch are presented in Note 2.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Our audit included, among others, the following audit procedures:

- Evaluation of controls and processes that support revenue recognition
- Review of group policies for revenue recognition to verify compliance with IFRS,
- For a selection of individual revenue transactions, verification that revenue was recognized in the period when CLX Communications performs its obligations, and
- For a selection of service contracts, verification that these have been recognized correctly as the services are performed or with application of the percentage-of-completion method.

ACCOUNTING FOR BUSINESS COMBINATIONS DESCRIPTION OF RISK

CLX Communications acquired Xura and Dialogue in 2017. Accounting of business combinations requires comprehensive judgments and estimations from management in order to determine the fair value of acquired assets and assumed liabilities.

The group's accounting policies for business combinations are described in Note 1. Additional disclosures on the effects of business combinations are provided in Note 34.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Our audit included, among others, the following audit procedures:

- Examination of the company's acquisition estimates with the assistance of internal valuation specialists in order to assess acquired identified assets and assumed liabilities and the fair values assigned to each asset and liability, and
- Review of accounting policies applied and associated disclosures concerning business combinations in order to confirm compliance with IFRS.

MEASUREMENT OF INTANGIBLE ASSETS

DESCRIPTION OF RISK

As a result of historical acquisitions, CLX Communications has significant amounts in intangible assets. The management tests the carrying amount of corresponding cash-generating units on an annual basis (goodwill) and when indications of a decline in value have been identified (all intangible assets including goodwill). These impairment estimates are complex and require estimations and judgments by management to determine the Group's cash-generating units and their future growth, profit margins, investment levels and discount rates.

The group's accounting policy for impairment testing is described in Note 1. The key assumptions used by management in the preparation of annual impairment testing for cash-generating units to which goodwill has been allocated are described in Note 13.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Our audit included, among others, the following audit procedures:

- Evaluation of policies and procedures applied by CLX Communications to prepare impairment tests for compliance with IFRS.
- Evaluation of key assumptions made by management in connection with impairment testing of cash-generating units and assessment of the sensitivity of these assumptions, and
- review of the models used to calculate the present value of future cash flows for mathematical accuracy.

Information Other than the Financial Statements and Consolidated Financial Statements

This document also contains information other than the annual accounts and consolidated financial statements and is found on pages 1-15. The board of directors and the chief executive officer are responsible for this other information.

Our opinion on the annual accounts and the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the annual accounts and consolidated financial statements, our responsibility is to read the other information identified above and consider whether the information is materially inconsistent with the annual accounts and the consolidated financial statements. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated financial statements and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated financial statements, in accordance with IFRSs as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Board Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these annual accounts and consolidated financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO in the financial statements and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and consolidated financial statements and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion on the financial statements and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the Auditor's Report. However, future events or conditions may make it impossible for the company to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and consolidated financial statements, including the disclosures, and whether the financial statements and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated financial statements, including the most important assessed risks of material misstatement and are therefore the key audit matters. We describe these matters in the Auditor's Report unless law or regulation precludes disclosures about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the management of CLX Communications AB (publ) by the Board of Directors and CEO for the financial year beginning 1 January 2017 and ending 31 December 2017 and the proposed disposition of the company's profit or loss.

We recommend to the annual meeting of shareholders that the profit be dealt with in accordance with the proposal in the statutory management report (the Board of Directors' Report) and that directors and the CEO be discharged from liability for the financial year.

Basis for Opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed disposition of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and financial position in general.

The Board of Directors is responsible for the company's organization and for management of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall attend to the day-to-management of the company pursuant to the Board of Directors' guidelines and instructions and among other matters take measures necessary to ensure that the company's accounting records are prepared and maintained pursuant to law and that management of funds is conducted in a sound manner.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective concerning the audit of the management of the company, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director has in any material respect:

- taken any action or committed a negligent breach that may give rise to liability to the company, or
- In any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed disposition of the company's profit or loss, and thereby our opinion on the proposal, is to assess with reasonable assurance whether the proposal is consistent with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed disposition of the company's profit or loss is not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing practices in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the management of the company and proposed disposition of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment, proceeding from risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material to operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed disposition of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

Deloitte AB was appointed as the statutory auditor for CLX Communications AB by the general meeting held 19 May 2017 and has been the company's auditor since 1 February 2012.

Stockholm, 27 April 2018

Deloitte AB
Erik Olin
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

INTRODUCTION

CLX Communications AB (publ) ("CLX") was founded 1 February 2012 and is the parent company of the CLX Group ("the Group"). CLX has been listed on Nasdaq Stockholm since 8 October 2015. The board of directors of CLX presents herewith the corporate governance report for the 2017 financial year.

This corporate governance report was adopted by the board of directors on 27 April 2018 and is a report of how corporate governance was pursued at CLX during the 2017 financial year. The corporate governance report is not part of the statutory management report.

PRINCIPLES OF CORPORATE GOVERNANCE

In addition to the corporate governance principles based upon law or other statute, CLX complies with the Swedish Corporate Governance Code ("the Code"). Please refer to the Swedish Corporate Governance Board's website, www.bolagsstyrning.se. The internal regulations for governance of the company consist of the articles of association, the board charter (including instructions for board committees), the instruction to the CEO, instructions for financial reporting, and other policies and guidelines.

SHAREHOLDERS

The company had approximately 2,300 shareholders as of 31 December 2017.

Significant shareholdings

SHAREHOLDER	NUMBER OF SHARES	% OF EQUITY
Neqst D1 AB	9,808,201	18.3
Cantaloupe AB	8,925,596	16.7
Fourth National Swedish Pension Fund	5,013,168	9.4
Swedbank Robur	5,013,168	9.4
Kjell Arvidsson AB	4,544,430	8.5
First National Swedish Pension Fund	3,442,372	7.4
Handelsbanken fonder	2,656,303	5.0
Alecta Pensionsförsäkring, ömsesidigt	2,642,372	5.0
Salvis Investment Ltd.	2,231,232	4.2
Catella fonder	1,020,933	1.9

Cantaloupe AB is owned by Björn Zethraeus, Kristian Männik, Henrik Sandell and Robert Gerstmann, and Salvis Investment Ltd. is owned by Johan Hedberg, all of whom are co-founders of CLX.

Voting rights

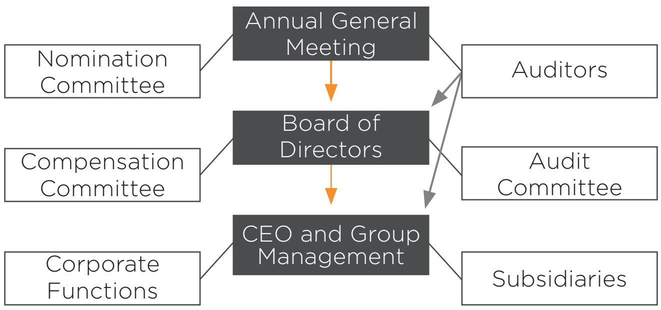
The articles of association of CLX impose no limits in the matter of how many votes each shareholder may cast at a general meeting.

ARTICLES OF ASSOCIATION

The current articles of association (see the company's website, www.clxcommunications.com) were adopted by the extraordinary general meeting held 13 June 2016. The articles of association contain no specific provisions concerning the appointment and dismissal of directors or concerning amendments to the articles of association.

ANNUAL GENERAL MEETING

The annual general meeting is the company's supreme governing body. The annual general meeting affords shareholders the opportunity to exert their influence. Under the Swedish Companies Act, several matters of business are under the purview of the annual general meeting, such as adoption of the income statement and balance sheet, allocations related to the company's profit or loss, discharge of liability, election of directors, and election of auditors.



The chart illustrates CLX's corporate governance model and how central corporate functions are appointed and cooperate.

At its discretion, the board may also convene an extraordinary general meeting during the year. This occurs, for example, if decisions must be made concerning matters under the sole purview of the general meeting and it would not be appropriate to delay the decisions until the next annual general meeting.

Shareholders who wish to participate in a general meeting must be recorded as shareholders in printout or other presentation of the entire share book regarding the state of affairs five business days prior to the meeting and must notify the company that they will be attending by the date specified in the notice to attend. This date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve and may not fall any earlier than the fifth business day prior to the meeting.

ANNUAL GENERAL MEETING

CLX held the 2017 annual general meeting on 19 May 2017 at the company's headquarters in Kista. 17 shareholders representing 66.21 percent of votes and share capital attended the meeting. The annual general meeting resolved to adopt the financial statements for 2015/16, endorse the proposed disposition of profit, and discharge the CEO and board of directors from liability for the past financial year. The annual general meeting elected directors and decided directors' fees.

The 2018 annual general meeting will be held at Lindhagensgatan 126 in Stockholm on 18 May 2018.

AUTHORIZATIONS

The annual general meeting held 19 May 2017 resolved to authorize the board of directors to decide on one or more occasions prior to the next annual general meeting to increase the company’s share capital through new issue of shares in the company. Under this authorization, the company’s share capital may be increased by a maximum of ten percent of authorized share capital as of the date when the board of directors exercises the authorization for the first time.

The board of directors is authorized to decide to issue shares with a waiver of shareholders’ preemptive rights and/or provisions on non-cash consideration, offset or comparable. The issues shall be carried out at a market-based subscription price with a reservation for market-based issue discounts where applicable.

The purpose of the authorization and the reasons for a possible waiver of shareholders’ preemptive rights is to enable issues to finance acquisitions of companies or parts of companies. Decisions in accordance with the board of directors’ proposal require the support of shareholders with at least two thirds of votes cast and of the shares represented at the general meeting.

NOMINATING COMMITTEE

The annual general meeting appoints the nominating committee and decides which tasks the nominating committee must perform before the next annual general meeting. As resolved by the annual general meeting held 19 May 2017, the four largest shareholders or shareholder groups (thus referring to directly registered shareholders and nominee registered shareholders) per the share register printed by Euroclear Sweden AB (“Euroclear”) as of 30 June 2017 shall each appoint one representative to constitute the nominating committee in addition to the chairman of the board for a term of office ending upon the appointment of a new nominating committee as mandated by the 2018 annual general meeting.

The majority of the members of the nominating committee shall be independent in relation to CLX and group management. At least one member of the nominating committee shall be independent in relation to the largest shareholder or group of shareholders in CLX, in terms of votes, who are involved in the management of CLX. The chief executive officer or any other member of group management shall not be a member of the nominating committee. Directors may be members of the nominating committee, but shall not constitute a majority of its members. If more than one director is included in the nominating committee, no more than one of them may be dependent in relation to major shareholders in CLX.

The nominating committee shall appoint the chairman of the committee. The chairman of the board or any other director shall not serve as chairman of the nominating committee. The composition of the nominating committee shall be announced not later than six months before the annual general meeting. This announcement was made in the interim report for the period of January–September 2017.

If one or more shareholders who appointed representatives to the nominating committee is no longer among the four largest shareholders in CLX at a point in time more than two months prior to the annual general meeting, the representatives of these shareholders shall step down and new members shall be appointed to represent the new shareholders that are then among the four largest shareholders. If a member of the nominating committee resigns before the work of the nominating committee is completed, the same shareholder who appointed the resigning member shall, if it is considered necessary, have the right to appoint a new member, or, if that shareholder is no longer among the four largest shareholders, the next largest shareholder in line, as per the principles set out above, but based upon Euroclear’s printout of the share register, as soon as possible after the member has stepped down. Changes in the composition of the nominating committee shall be immediately publicized.

Leading up to the 2018 annual general meeting, the composition of the CLX nominating committee was as follows:

- Rickard Sallanto, representing Cantaloupe AB
- Jonas Fredriksson, representing Neqst D1 AB
- Thomas Wuolikainen, representing Fourth National Swedish Pension Fund
- Joachim Spetz, representing Swedbank Robur
- Erik Fröberg, chairman of the board, CLX

The final composition of the nominating committee was published in the year-end report for 2017.

Diversity policy

The nomination committee applies rule 4.1 of the Swedish Code of Corporate Governance as diversity policy for the board, that is "The board shall have one with regard to the company's business, development phase and circumstances, otherwise appropriate composition, characterized by versatility and breadth regarding the competence, experience and competence of the board members elected by the annual general meeting. A balanced gender distribution should be pursued". According to the nomination committee, the company's board of directors has an acceptable diversity in terms of experience, age and gender. Of the members elected in 2017, two were women, representing 33 percent of the board.

Directors' remuneration

The nominating committee presents a proposal concerning directors' fees to the annual general meeting for endorsement. The 2017 annual general meeting resolved in favor of the nominating committee's proposal.

The nominating committee's proposal to the annual general meeting concerning directors' remuneration is set out in the notice to attend the meeting.

BOARD OF DIRECTORS

Board composition

Since the 2017 annual general meeting, the board of directors has consisted of Erik Fröberg, Kjell Arvidsson, Charlotta Falvin, Renée Robinson Strömberg, Johan Stuart and Björn Zethraeus. Erik Fröberg served as chairman of the board. The chairman presides over and allocates board duties, maintains continuous contact with the CEO and CFO, ensures that board meetings are thoroughly prepared and represents CLX in acquisition discussions and the like.

Board independence

The positions of dependency of directors in relation to the company, management, and shareholders is shown on the table below. As shown in the table, CLX complies with applicable rules concerning the independence of directors in relation to the company, management, and the company's major shareholders.

BOARD DUTIES

The duties of the board of directors are performed in the manner required by the Swedish Companies Act, the Code and other ordinances and rules applicable to the company. The board works according to a charter and yearly plan, which are adopted annually.

The company's CEO and CFO attend board meetings. The CFO normally acts as the recording secretary. Other group management personnel and group officers participate at board meetings to present reports as required.

In addition to the meeting after election by the annual general meeting, the board of directors met 15 times in 2017 (of which three meetings were held per capsulam). The primary focus of the board during the year was on strategy, the business plan and budget and acquisitions and integration of acquired companies.

The board of directors met with the auditor once during the year without the presence of the CEO or any other management representative.

External evaluation of the work of the CEO and the board during 2017 has been performed in early 2018.

The board of directors monitors the work of management by means of monthly reports covering financial performance, key figures, progress in prioritized activities, etcetera.

Board meetings

The board holds ordinary meetings according to the plan below:

- **February** Year-end report
- **March/April** Corporate governance meeting – agenda and notice to attend the annual general meeting, corporate governance report, annual report, sustainability report, review of insurance policies and pensions
- **May/June** Constituent board meeting, decisions on the board charter, CEO instruction, and instructions for financial reporting, the board's yearly plan, authorized signatory, interim report for the first quarter
- **July** Compensation to senior management, pay review, interim report for the second quarter
- **August/September** Strategy meeting, financial targets, instructions pertaining to the budget process
- **October/November** Interim report for the third quarter
- **December** Forecast meeting, evaluation of board and CEO

The CEO presents an operations report at the ordinary board meeting. The board of directors engages in discussions in connection with review of auditor's reports

BOARD COMMITTEE DUTIES

The board of directors has two committees: the Audit Committee and the Compensation Committee. The work of the committees is governed by the board charter.

Board committees deal with the matters within their respective purview and issue reports and recommendations upon which board decisions are based. The committees have defined decision authority within the frameworks of board directives. The minutes of committee meetings are made available to the board of directors.

Audit Committee

Kjell Arvidsson and Johan Stuart are members of the Audit Committee, Johan Stuart is the chairman.

The company's CFO attends meetings of the Audit Committee. The company's auditor attended the meetings of the Audit Committee during the year.

Compensation Committee

The entire board carries out the duties of the Compensation Committee. Erik Fröberg presides over the management of issues under the purview of the Audit Committee. Directors' and committee members' attendance at board meetings during the year is shown on the table below.

NAME	Year elected	Independent of the company	Independent of the owners	Position	Committee	Attendance board meetings	Attendance Audit Committee	Attendance Compensation Committee	Director's fee, SEK thousand, 2017 12 months*	Number of shares/ warrants in CLX, direct and indirect holdings
Erik Fröberg	2012	Yes	No	Chairman of the Board, Chairman of the Compensation Committee	Compensation	15/15	-	15/15	550	262,500 direct holding and 9,808,201 indirect holding
Kjell Arvidsson	2012	No	No	Director	All	15/15	1/1	15/15	290	4,544,430
Charlotta Falvin	2015	Yes	Yes	Director	Compensation	14/15	-	14/15	250	0
Jonas Fredriksson	2012	Yes	No	Director until 19 May 2017	All	6/7	-	6/7	0	
Helena Nordman-Knutson	2015	Yes	Yes	Director until 19 May 2017	All	3/7	-	3/7	0	
Renée Robinson Strömberg	2017	Yes	Yes	Director as of 19 May 2017	Compensation	8/8	-	8/8	250	0
Johan Stuart	2015	Yes	Yes	Director, chairman of the Audit Committee	All	15/15	1/1	15/15	330	3,021
Björn Zethraeus	2017	No	No	Director as of 19 May 2017	Compensation	8/8	-	8/8	0	2,231,232

*Disclosures on directors' fees refer to the board year beginning at the end of the 2017 annual general meeting and ending at the end of the 2018 annual general meeting.

AUDITORS

The audit firm, elected for term of one year by the annual general meeting held 19 May 2017, is Deloitte AB. Erik Olin, authorized public accountant, is the auditor in charge.

The auditors' remit is to examine the company's annual report and accounting records and management of the company by the board of directors and the CEO, on behalf of the shareholders. The auditors report regularly to the board. Auditor's fees are specified in Note 5 to the annual report.

GROUP MANAGEMENT

The Board of Directors appoints the CEO. The CEO oversees group management and makes decisions in consultation with other members of group management. At 31 December 2017, group management comprised the CEO, the CFO, Head of Corporate Development, the HR Director, the Managing Director of the Enterprise Division, the Managing Director of the Operator Division and the CTO of the Enterprise Division.

Work of group management

The CEO meets regularly with all members of the group management team for business updates, to receive reports, set objectives, and for general business discussions. This includes monthly management team meetings, which are documented. In addition, the CEO holds several personal meetings with each member of the management team every year for more in-depth discussions and planning.

Governance and monitoring of the management team is based on the charter adopted by the board, the instruction for the CEO, and reporting instructions. Group management and other managerial personnel manage day-to-day operations primarily through instruments such as budgets, performance management and reward systems, regular reporting and monitoring and employee meetings, and via a delegated decision structure with functional hierarchies (development, marketing, support, finance, etcetera) from the parent company to subsidiary management teams.

Focus during the first half of the year was on continued integration of Mblox and Sinch, as well as the acquisitions of Xura and Dialogue. During the second half, the main focus was on the continued integration of the acquired companies. Focus increased on profitable, organic growth during the latter part of the year.

INTERNAL CONTROL OF FINANCIAL REPORTING

The board of directors' responsibility for internal control is governed by the Companies Act and the Code. In accordance with the Annual Accounts Act, the corporate governance statement includes a description of the key elements of the company's internal control and risk management system. Internal control of financial reporting has two primary aims: to provide reasonable assurance of the reliability of external financial reporting and to ensure that external financial reports have been prepared in compliance with law, applicable accounting standards, and other requirements imposed upon listed companies.

Control environment

The board has overall responsibility for internal control related to financial reporting. The control environment for financial reporting is based on an allocation of roles and responsibilities in the organization, adopted and communicated decision paths, instructions regarding authority and responsibility, and accounting and reporting instructions.

Internal control is integrated within the group finance department. The board of directors has considered whether there is a need to establish a separate audit function. The board has found that until further notice internal control can be performed in the necessary and satisfactory manner by the finance function and that the company does not need a separate audit function.

The board has adopted a charter, CEO instruction, and instructions for financial reporting, Authorization Principles, CLX Communications Group Accounting Principles, the CLX Communications Group Financial Policy, and the CLX Communications IT Policy. In addition to these, there are operational policies and guidelines in several areas.

Risk assessment

As an integrated component of the management process, the board and group management work with risk assessment from a broad perspective, including but not limited to financial risks and important business risks. Regular risk reports are presented to the board of directors. During the year, the board regularly discussed various types of risks and the company's risk management process. A risk map with regard to the company's financial core processes has been drawn up and will form the basis for continuous improvement of internal processes and controls.

CLX is subject to the provisions of EU Market Enforcement Regulation No. 596/2014 (MAR), which places great demands on how the company handles inside information. In MAR, inter alia, rules are governed how insider information should be published to the market, the conditions under which disclosure may be postponed and the manner in which the company is obliged to keep a list of persons working for CLX and who have access to inside information about the company, a so-called logbook.

Since 8 February 2017, CLX uses the InsiderLog digital tool to ensure that the above management meets the requirements of the MAR and CLX Insider Policy; from the decision to postpone the publication of inside information all the way to the notice to be submitted to Finansinspektionen when the insider event is over and the information has been published. Only authorized persons within CLX have access to InsiderLog. More information is available at www.insiderlog.se.

Control activity

The group's control activities relating to financial core processes are described in the risk map approved by the board as a basis for ongoing efforts to continuously improve internal processes and controls. Controls are performed at both the subsidiary level and the Group level. The operating subsidiaries have chief accountants who are responsible for ensuring that financial figures are verified and reported on a monthly basis. This includes reconciliation of financial figures against sales and cost data from the Group’s transaction system, reconciliation of intragroup transactions and reconciliation of bank accounts. These figures are then checked at the Group level in conjunction with the monthly consolidation of group figures. Efforts are ongoing to continuously improve these processes through, for example, advanced training of relevant employees, greater automation of reconciliations and through the checking of important figures by several individuals in parallel.

Information

Information about internal control documents for financial reporting is available to relevant employees on the CLX intranet. The CFO and the HR Director are responsible for ensuring that all employees are informed about applicable policies. Information and training related to the internal control documents is also provided through activities aimed directly at finance managers and controllers within the Group.

Monitoring

The effectiveness of internal control of financial reporting is monitored by the board, the Audit Committee, the CEO, group management, and group companies. Follow-up includes continuous quality control by the board of directors of the company’s monthly financial reports, ongoing monitoring of central financial processes, such as management of potential customer losses and review of CLX's external audit reports. Members of the staff of CLX's group finance department also regularly visit the operating subsidiaries to verify that CLX's financial processes are being correctly implemented and continuously developed to ensure accurate financial reporting.

Stockholm, 27 April 2018

The Board of Directors of CLX Communications AB (publ)

BOARD OF DIRECTORS

1. ERIK FRÖBERG

Born: 1957

Director of CLX since: 2012
Shareholding in CLX: privately, 262,500, and indirect holding through Neqst
Warrants in CLX: 0
Principal employer and position or other main occupation: Partner and founder of Neqst Partner AB.
Other essential directorships (company and position): Digital Route AB, chair; Xlent AB, chair; HDR AB, chair; Varnish AB, director; Cybernetics AB, director.
Brief summary of key career positions: Vice CEO Cap Gemini Sweden; Vice CEO LHS Group Inc; CEO Digiquant Inc; Special Advisor General Atlantic LP.
Education: MSc Technical Physics, KTH Royal Institute of Technology, Stockholm.
Relationship of dependency to the company and its major shareholders: Yes

4. JOHAN STUART

Born: 1957

Director of CLXsince: 2015
Shareholding in CLX (total, private & via companies): 3,021
Warrants in CLX: 0
Principal employer and position or other main occupation: CFO, Affibody Medical AB.
Other essential directorships (company and position): HDR Sweden AB (including group companies), director; Digital Route AB, director; Best Practice Scandinavia AB, director.
Brief summary of key career positions: Johan Stuart has more than 25 years of experience as CFO of listed and unlisted companies including Affibody Medical AB, Tradimus AB, XCounter AB, Hi3G Access AB, Utfors AB and companies within the Axel Johnson Group.
Education: Johan Stuart holds an MSc in Economics from the Stockholm School of Economics.
Relationship of dependency to the company and its major shareholders: Independent

2. KJELL ARVIDSSON

Born: 1961

Director of CLX since: 2012
Shareholding in CLX (total, private & via companies): 4,544,430
Warrants in CLX: 0
Principal employer and position or other main occupation: Business owner
Other essential directorships (company and position): Coach and Capital Nordic 1 AB, director; Gardio AB, director; Kjell Arvidsson AB, director.
Brief summary of key career positions: Founder and General Manager Ericsson IPX; co-founder CLX Networks; CEO Symsoft AB.
Education: Studies in economics at Stockholm University and Uppsala University.
Relationship of dependency to the company and its major shareholders: Yes

5. RENÉE ROBINSON STRÖMBERG

Born: 1970

Director of CLX since: 2017
Shareholding in CLX (total, private & via companies): 0
Warrants in CLX: 0
Principal employer and position or other main occupation: Founder of and coach at Shiny Thing AB, a management consultancy specialized in B2B go-to-market support for international software and IT firms.
Other essential directorships (company and position): None.
Brief summary of key career positions: Renée Robinson Strömberg has more than 20 years of experience in the international high-tech industry. She has worked with market and product strategies to position Swedish start-ups that later resulted in successful acquisitions (Drutt-Ericsson and Tail-f - Cisco).
Education: Renée Strömberg holds degrees in Chinese Studies and Economics from Kalamazoo College and an MBA from the Stephen M. Ross School of Business, University of Michigan.
Relationship of dependency to the company and its major shareholders: Independent

3. CHARLOTTA FALVIN

Born: 1966

Director of CLX since: 2015
Shareholding in CLX (total, private & via companies): 0
Warrants in CLX: 0
Principal employer and position or other main occupation: Board professional and adviser.
Other essential directorships (company and position): Invisio Communications AB, director; NetInsight AB, director; Bure Equity AB, director; Ideon Open AB, chair; Fasiro AB, chair.
Brief summary of key career positions: CEO TAT – The Astonishing Tribe AB; CEO Decuma AB; Vice CEO Axis Communications AB.
Education: MBA, Lund University
Relationship of dependency to the company and its major shareholders: Independent

6. BJÖRN ZETHRAEUS

Born: 1963

Director of CLX since: 2017
Shareholding in CLX (total, private & via companies): 2,231,232
Warrants in CLX: 0
Principal employer and position or other main occupation: Head of Corporate Development, CLX Communications AB
Other essential directorships (company and position): Director and MD Cantaloupe AB.
Brief summary of key career positions: Björn Zethraeus has more than 25 years' experience in the telecoms industry, including several executive positions within Ericsson in Sweden and Asia. Co-founded Ericsson IPX AB 2002 and successfully developed the company until 2006. Before co-founding CLX, he was a management consultant and acting head of various network operators and mobile marketing firms.
Education: MSc Engineering, Institute of Technology at Linköping University
Relationship of dependency to the company and its major shareholders: Yes

GROUP MANAGEMENT

1. JOHAN HEDBERG

CEO, co-founder – born 1973

Johan Hedberg has 20 years of experience in mobile services and 15 years of experience in the mobile messaging industry. Before co-founding CLX, he was head of messaging at Ericsson. Johan co-founded Cotraveller, a start-up in the wireless industry, in 2000, prior to which he was an IT consultant in the CRM and ERP segments. He has a strong track record from his work with high-growth firms in an international environment. Johan has lived and worked in Sweden, England, Switzerland, France and the United States. He holds an MSc in Industrial Economics and Management from the KTH Royal Institute of Technology, Stockholm.

Shareholding in CLX (total, private & via companies): 2,231,232

Warrants in CLX: 0

2. ODD BOLIN

Chief Financial Officer – born 1963.

Odd Bolin was earlier in his career an equity analyst and head of research at Hagströmer & Qviberg Fondkommission. In 2003, he founded Ceres Corporate Advisors, a provider of financial advice to tech companies. In 2009, he was appointed CFO of Cybercom Group, listed on Nasdaq Stockholm and was appointed CEO of Cybercom Sweden in 2011. He was appointed CFO of G5 Entertainment AB in 2013, which was listed on Nasdaq Stockholm in 2014. Odd joined CLX Communications in his current role in 2015. Odd has an MSc in Technical Physics and a PhD in Plasma Physics, both from the KTH Royal Institute of Technology in Stockholm.

Shareholding in CLX (total, private & via companies): 2,550

Warrants in CLX: 50,000

3. JOHAN ROSENDAHL

Managing Director, Operator Division – born 1966

Johan Rosendahl joined CLX in March 2015, bringing 20 years of experience of mobile value added services and the telecoms industry to the company. Johan has held several senior management positions in Sweden and abroad. Prior to joining CLX, Johan Rosendahl was a management consultant in the mobile value added services segment. Johan holds an MSc in Business Administration from Linköping University.

Shareholding in CLX (total, private & via companies): 2,550

Warrants in CLX: 60,000

4. BJÖRN ZETHRAEUS

Head of Corporate Development and co-founder – born 1963

Björn Zethraeus has more than 25 years' experience in the telecoms industry, including several executive positions within Ericsson in Sweden and Asia. He co-founded Ericsson IPX AB 2002 and successfully developed the company until 2006. Before co-founding CLX, Björn was a management consultant and acting head of various network operators and mobile marketing firms. Björn holds an MSc Engineering from the Institute of Technology at Linköping University.

Shareholding in CLX (total, private & via companies): 2,231,232

Warrants in CLX: 0.

5. ROBERT GERSTMANN

Chief Product Officer, co-founder – born 1975

Robert Gerstmann is CPO for the Enterprise Division and responsible for its product, customer support, operations and development functions. He has been active in the mobile industry for more than 15 years, always with high-growth innovation firms, and has extensive international experience, having lived in Sweden, Germany, France and the United Kingdom. Before Robert co-founded CLX Networks, he held commercial management positions at Mblox as head of the global messaging business line and at Netgiro/Digital River. Robert holds an MSc in Industrial Economics and Management from the Institute of Technology at Linköping University.

Shareholding in CLX (total, private & via companies): 2,402,275

Warrants in CLX: 0

6. LENA OLDBERG

HR Director – born 1978.

Lena Oldberg has headed up HR for CLX since 2013, during a period of strong growth and change. She has 13 years of experience with HR in fast-moving and knowledge-intensive settings. Before joining CLX, Lena held various roles in HR at Novartis and GlaxoSmithKline in the pharmaceuticals industry.

Lena holds a BSc in Human Resources and Working Life from the University of Gothenburg.

Shareholding in CLX (total, private & via companies): 762

Warrants in CLX: 20,000

7. JONAS LINDEBORG

Chief Technical Officer/VP Engineering – born 1967

Jonas Lindeborg has a history in software development and management for both start-ups and Fortune 100 companies. Building on his career as a developer in the 1990s, Jonas joined Symbian in 2000 as head of the UIQ Technology Development team. He was responsible for growing the team from a few developers to a global team of 400 people who developed an application platform for Sony Ericsson and Motorola smart phones. Jonas was involved in a start-up, Mashmobile, in Lund in 2008, which was subsequently bought by Mblox in 2010. When CLX bought out Mblox in 2016, Jonas was appointed VP Engineering and thereafter CTO for the CLX Group. Jonas holds and MBA in Leading Innovation from the Stockholm School of Economics.

Shareholding in CLX (total, private & via companies): 192

Warrants in CLX: 45,000

AUDITOR'S OPINION

AUDITOR'S OPINION ON THE CORPORATE GOVERNANCE REPORT

To the annual meeting of the shareholders in CLX Communications AB (publ), corporate registration number 556882-8908.

Engagement and Responsibility

The board of directors is responsible for the corporate governance report for the financial year beginning 1 January 2017 and ending 31 December 2017 on pages 70-76 and for its preparation in accordance with the Annual Accounts Act.

Scope of the Examination

Our examination of the corporate governance report was conducted in accordance with FAR's auditing standard RevU 16 The Auditor's Examination of the Corporate Governance Report. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 27 April 2018
Deloitte AB

Erik Olin
Authorized Public Accountant

SUSTAINABILITY REPORT

ABOUT THE SUSTAINABILITY REPORT

This is CLX's first sustainability report and refers to the 2017 financial year. The sustainability report covers the parent company, CLX Communications AB (publ), company registration number 556882-8908, and all group companies consolidated in CLX Communications' consolidated financial statements for the same period, which are specified in Note 16 of the annual report. The sustainability report was prepared as required under chapters 6 and 7 of the Annual Accounts Act and constitutes CLX's statutory sustainability report.

This is CLX's first sustainability report and there have therefore been no material changes to the application of reporting policies or the scope of the report.

By signing the annual accounts and consolidated financial statements, the board of directors of CLX has thereby also approved the sustainability report.

BUSINESS MODEL

CLX is a leading 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's solutions enable business critical communication worldwide via mobile messaging services, voice services and IoT connectivity services. The Group is headquartered in Stockholm, Sweden, and has a presence in more than 20 countries. CLX is a global leader in the market for cloud communications solutions.

CLX's organization is divided into three segments: the Enterprise Division, the Operator Division and Sinch.

The Enterprise Division and Sinch addresses the enterprise market and combines programmable APIs and cloud services to, in partnership with its extensive network of mobile network operators, create opportunities for enterprise customers and developers to easily build global communications, including messaging, voice and video services into applications, business processes and IoT devices. Messaging services from enterprises to customers, primarily SMS (text) messages, make it possible for enterprises to send and receive customized text messages to and from their customers, employees and connected devices worldwide, fast and easily. This is used in the banking, finance and retail sectors and by online brands. CLX handles all traffic within in the Enterprise Division in its own communications platform. The same platform in principal is also sold and used by mobile network operators in their businesses, thus generating revenues for the CLX Operator Division. In 2017, the platform managed about 18 billion billable transactions from CLX's enterprise customers and is used in the operations of more than 80 mobile network operators.

The Operator Division is a leading supplier of software and services to mobile telephone operators all over the world. The Operator Division (Symsoft) is a partner to more than 80 mobile network operators in more than 40 countries. The Division offers innovative, stable and scalable software and services to customers in the areas of IoT platforms, real-time BSS and fraud prevention solutions for revenue retention. Solutions can be provided as local installations for operators, as managed outsourcing service or as cloud services i public or private clouds. The Division generates value for its customers in multiple ways, including limiting the risk of fraud and sharply reducing operating costs.

Information about CLX's targets and strategies is provided on page 10 of the annual report.

MATERIALITY ANALYSIS

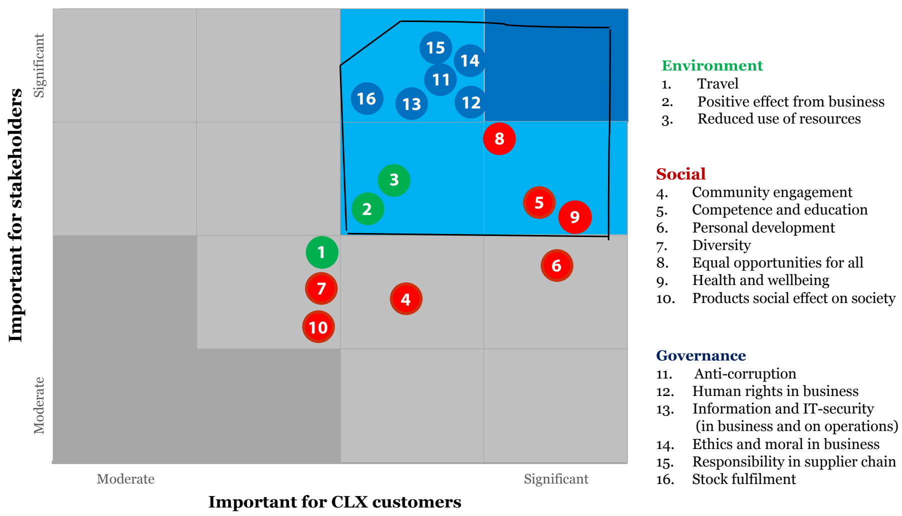
CLX maintains ongoing engagement with customers, investors, suppliers, employees and others interested in obtaining information about CLX or engaging with the company. Prior to preparing the 2017 sustainability report, a more formalized materiality analysis was performed in order to identify the opinions, expectations and needs of stakeholders and the sustainability topics they find most relevant to CLX. CLX therefore engaged in stakeholder dialogues with owners, directors, employees and investors by means of interviews in late 2017.

After the interviews, CLX management held a workshop to identify the most material sustainability topics for CLX based on that which emerged in the stakeholder dialogues. The sustainability work of CLX's primary competitors was also analyzed during the workshop and global trends and sustainability topics relevant to CLX's industry were discussed. The analysis was based on information derived from stakeholder dialogues as well as the risks and opportunities associated with the sustainability topics that can be linked to legal requirements in terms of the environment, social responsibility, employees, human rights, anti-corruption and governance.

The results of the materiality analysis are expressed in the topics and outcome indicators presented in this report.

CLX intends in the future to evaluate the information in the sustainability report every year in dialogue with the company's key stakeholders to ensure that the information is up to date and to develop stakeholder engagement so that more of CLX's external stakeholders' perspectives are included.

RESULTS OF STAKEHOLDER DIALOGUES



CLX Communications
PwC

MANAGEMENT AND RESPONSIBILITY FOR SUSTAINABILITY ASPECTS IN OPERATIONS

The board of directors has overall responsibility for the management of CLX, including matters related to sustainability. The board is responsible for the policies and control documents related to the sustainability topics reported here. Some directors also participated in the stakeholder dialogues held during the year.

The CEO is responsible for executing board decisions and strategies. In support of the CEO and operations otherwise, CLX has management groups in various areas that are responsible for preparing decision input, performing analyses and assisting the board in executing board decisions. Further information about the work of the board of directors during the year and a review of the company's diversity and equal opportunity policy are found in the corporate governance report, which is described on page 70.

The main principle for sustainability management at CLX is to minimize the potential negative impacts of the business and to benefit from the opportunities brought by sustainable business. CLX therefore has policies in the areas related to sustainability and an internal Code of Conduct for employees as well as an external Code of Conduct for suppliers.

In 2017, CLX updated several policies used in day-to-day operations. The primary aim was to ensure general policies that apply to the entire group. As CLX is growing powerfully through acquisitions of new companies, policies have formerly varied from country to country. For example, a new corporate IT Policy was adopted, the Code of Conduct was updated and HR Policies were updated to apply throughout the Group, all during the year. CLX also has a Travel Policy that regulates business travel. All policies are posted on the company's intranet and can be accessed by all CLX employees.

There are also local employee handbooks at all Group companies, adapted to the respective country. The Code of Conduct that was adopted in 2016 applies to all employees and is reviewed with all new employees when they join CLX. It is based on the UN Global Compact's 10 principles for sustainable business and particular emphasis was put on clarifying the company's positions on issues related to respect for human rights, anti-corruption, diversity and equal opportunity and the importance of sound business relationships. The Code of Conduct is available on the intranet.

MATERIAL SUSTAINABILITY-RELATED RISKS AND RISK MANAGEMENT

Material risks	Description of risk management
THE ENVIRONMENT	
Stricter regulation of greenhouse gas emissions	
In recognition of the threat of climate change, there is consensus that global greenhouse gas emissions must be drastically reduced by the end of this century. It is extremely likely that we are going to see political initiatives and regulations that, in various ways, will force companies to reduce their use of fossil fuels. CLX sees a risk in that we, if and when this happens, have to add additional competences to respond to and manage these standards.	CLX continuously monitors political developments and potential new legislation in the countries in which we collaborate. As we have identified that our greatest environmental impact is through air travel, we have a travel policy that must be followed by all employees, and all travel is booked through the same travel agency to make it easier to track how much we travel and determine how we can reduce traveling.
SOCIAL CONDITIONS INCLUDING HUMAN RESOURCES ISSUES	
Loss or lack of qualified employees	
CLX has assessed the risk of losing key skills within the company or being unable to attract key skills to the company as a major risk to our business and continued development going forward.	CLX applies a recruitment model that is always used in recruitment to ensure that the collective skills and expertise of CLX maintain a high standard. CLX employees and their line managers jointly prepare a personal development plan each year, which is the basis of performance assessment. CLX annually measures employee engagement through an employee survey to get feedback on how employees perceive their work and CLX as an employer.
Equal opportunity for all	
CLX is aware that we operate in a traditionally male-dominated industry. Even though we have an explicit policy of non-tolerance of discrimination and strive towards an equal workplace, there are historical structures and behaviors embedded in our culture that can take time to change. Discriminating against people on the basis of gender, age, national origin, religion, sexual orientation, etcetera, is illegal and failures in this respect can result in damaged reputation, a poorer workplace environment with impaired productivity as a result, difficulty recruiting and retaining employees and liability for damages.	CLX has zero tolerance for discrimination on any basis and strives for a culture characterized by diversity and equal opportunity. This is clearly expressed in our Code of Conduct, which is communicated to all employees. We are making a constant effort to increase the percentage of women in the company by means including membership in a network for women engineers on Facebook. We also have two recruiters, one man and one woman, present at every recruitment interview to ensure a wider perspective in that context. Employees involved in recruitment are also trained to make the process as unbiased as possible. HR also works according to a carefully designed recruitment process to ensure that no one is excluded on the basis of gender, sexual orientation, or ethnicity. One of the guidelines at CLX is that the most important consideration is the right skills for the job, which applies regardless of gender, sexual orientation, or ethnicity.

Material risks	Description of risk management
Health and well-being	
Our employees are our greatest and most important asset. CLX does business in a constantly changing industry and we are growing rapidly through the acquisition of other companies. Accordingly, one possible risk is that employee health and safety might be negatively affected and that CLX will be unable to maintain a physically and psychologically healthy work environment.	CLX promotes a healthy work/life balance and works continuously with employees on these issues. Through close dialogue between employees and managers, indications that an employee may be struggling are picked up in time and CLX works with an external party that can offer supportive counseling to the individual. The goal is to identify signs of burnout, for example, at an early stage and in so doing prevent long-term sick leave. We also continuously evaluate the results of our employee surveys and performance reviews to determine how we can improve the work environment and employee well-being. We offer our employees in Sweden fitness and wellness benefits, massage and private health insurance. In other countries, we have ongoing health initiatives aimed at enhancing employee well-being.
Compliance with ethics policies	
Upholding high ethical standards is a top priority for CLX and our business. As we do business in more than 40 countries, however, we have identified a risk of non-compliance with our ethical values and guidelines due to lack of understanding of our guidelines and policies and failure to communicate the importance of these at the group level.	All CLX employees must read and understand our Code of Conduct, in which our ethical guidelines are set forth. The Code of Conduct is available on our intranet. We also engage in constant dialogue about how we do business. We attach a Code of Conduct to every customer contract that sets out rules of conduct and we ask our suppliers to show us their internal Code of Conduct and ask them to sign ours.

RESPECT FOR HUMAN RIGHTS

CLX operates in some countries that can be identified as high-risk countries with regard to human rights abuses, which is naturally a major risk for our business. We have assessed the risk of this as highest in our supply chain and among our customers.	Our Code of Conduct is based partly on the 10 principles of human rights adopted by the UN, which must be followed by all employees. When we enter into contracts with operators in high-risk countries, we include an additional clause covering human rights, corruption and bribery. We also have a Code of Conduct that we send as an appendix with every contract to our suppliers, which covers aspects including respect for human rights.

CORRUPTION AND BRIBERY

CLX has zero tolerance for bribery and corruption. This is clearly expressed in our Code of Conduct. We have assessed the risk of corrupt behavior as relatively minor, but recognize that the risk that does exist is found in the supply chain and in connection with sales.	The Code of Conduct includes guidelines pertaining to bribery and corruption and the Code has been communicated to all employees and suppliers. The Code is appended to all new contracts with suppliers and, as of 2018, they are expected to confirm in writing that they intend to apply the Code. If we discover a breach of our Code of Conduct by a supplier, we discuss this with them and terminate, if necessary, our dealings with them.

TARGETS, OUTCOMES AND EVALUATION 2017

Social issues including employees

Working at CLX means coming every day to a workplace where passion is a main ingredient – something we are very proud of. We are energetic, pragmatic and humble, and we get things done. Working for us, as a truly global company, means having the freedom and independence you need to succeed. We constantly challenge ourselves and each other to be the best at what we do. We motivate and encourage our people to be the best they can be, every single day. We also believe in maintaining a good work/life balance by making it possible to relax, be ourselves and enjoy the workday and the challenges it brings.

To us, a strong company culture is a key prerequisite for success. The culture is inevitably affected by the relatively large number of acquisitions we have made. But the essence of what makes us CLX is so strong that we have maintained its vibrancy through structural changes and acquisitions.

Skills and professional development

We value and reward our employees' deep expertise in their fields and we have developed a thorough and effective recruitment process to ensure that we attract and select the top talents. We are very careful in the selection process and put a lot of energy into interviewing applicants to make sure this is the start of a long and mutually rewarding relationship.

In order to achieve our goal of being an industry leader, we are utterly dependent upon retaining employees and being an attractive employer. Our actions towards that end include offering all employees a performance and professional development review once a year, at which individual targets are set. Employees are also given training goals, where training needs are determined jointly with the line manager and based on the support the individual needs to progress. If the employee needs leadership training, the HR department is involved in selecting the programs, but if more technical training is required, this is arranged in consultation with the line manager. All employees are required to have a professional development plan and line managers must submit the plans to HR.

In order to retain skills and expertise in the company, it is important that CLX provides opportunities for advancement. We therefore advertise all available jobs internally first and, as policy, all internal applicants are interviewed and given the chance to advance within the company.

In Sweden, we have the *Lunch and Learn* program in which we regularly eat lunch together and listen to a colleague talk about their job and what they are working with. This is intended to improve our understanding of each other and what we do at CLX and to inform employees about the various positions available within CLX.

EQUAL OPPORTUNITY FOR ALL

Diversity is an important factor within CLX and we believe our different competences and experienses are what make us successful. English is CLX corporate language and employees are not required to speak Swedish. We have employees in more than 20 countries and together our people speak more than 40 languages, as a native language or at a professional level. That means we can often talk to our customers in their own language.

CLX works in a male-dominated industry and we are working hard to bring more women into the business. We are members of a Facebook network for women engineers where we advertise vacant jobs and our target is for at least one of the candidates for all advertised positions should be a woman. All prospective employees are interviewed by a man and a woman to ensure a wider perspective in connection with recruitment.

The average number of employees in 2017 was 340 (199), of whom 69 (31) were women. Group management is composed of one woman and six men, and two out of six directors are women. We strive for gender equality based on competence and our goal is to always recruit the best skills regardless of gender.

AVERAGE NUMBER OF EMPLOYEES	2017	Of whom men	2015/16	Of whom men
Sweden	175	151	134	116
Australia	7	5	1	-
France	-	-	1	1
United Arab Emirates	16	14	11	10
Canada	8	4	9	6
Singapore	4	4	1	1
Spain	3	3	3	3
United Kingdom	61	44	19	14
Turkey	3	3	2	2
Germany	12	6	-	-
United States	52	38	20	15
Total	340	271	199	168
Of which, parent company (Sweden)	7	3	5	3

Health and well-being

Employee health and well-being is critically important to CLX. We promote a good work/life balance because we believe that results in happy and committed employees who help us progress and develop. We had a health and safety training program in Sweden in 2017 that focused on the social work environment. We talk about this a lot within the organization and try to prevent absenteeism by identifying signs at an early stage that an employee is struggling. We have an external provider that is brought in and offers counseling if an employee needs support. Sick leave in 2017 was relatively low, less than 1 percent of the year's working hours.

In Sweden, we offer our employees fitness and wellness benefits, regular massage and private health insurance. In other countries, we have ongoing health initiatives of various kinds. We also have local employee handbooks, a Health and Safety Policy, a non-discrimination policy and an HR Policy that governs this.

If an employee feels they have been discriminated against, this must be reported to the line manager or HR. There were no reported cases in 2017 and no incidents emerged during the "me too" debate in the autumn of 2017. This was, however, discussed internally within the organization in Sweden.

Employee survey

CLX conducts an employee survey every year, in which employees' perceived engagement is measured on a scale of one to ten. The score declined during the year from the 8.6 we had in 2016 to 8.1. A couple of reasons for this are that we have grown rapidly through acquisitions and that the business is in a change process. The target at the Group level is to rebound to at least 8.6 again.

SUSTAINABILITY MANAGEMENT

Responsible supply chain

CLX operates in more than 40 countries and has a supply chain that extends across the entire world. Maintaining control of all aspects in all countries is a challenge for CLX, but we communicate with our suppliers on a daily basis through face-to-face meetings and by email and telephone. In connection with contracts with suppliers, we always ask for their Code of Conduct and include our own Code of Conduct as an appendix to all contracts. We include a separate clause on bribery and corruption in all contracts with customers in high-risk countries, which the other party must sign. We have assessed the risk of human rights abuses and corruption as greatest in our supply chain within the Enterprise Division.

Symsoft (the Operator Division) works according to EcoVadis, which is an online CSR rating system that helps companies mitigate the risk in their supply chains. The also evaluate the companies that work according to their system and Symsoft, for the third year running, achieved the Gold level recognition medal, the highest that EcoVadis awards.

At present, we do not evaluate or screen our suppliers because we are just beginning our sustainability management program and have not yet had the opportunity to do so. We are, however, discussing how we can improve supply chain management in the future.

Anti-corruption

As we work all over the world, including in high-risk countries, preventing corruption is a material concern for us. We have a Code of Conduct that includes guidelines on corruption that our suppliers must sign upon entering into a contract. The guidelines are also included in our internal Code of Conduct, which employees are required to sign. Corruption in any form, such as bribes or business on non-market terms, is prohibited within the CLX organization.

All of Symsoft's managerial and sales employees completed an e-learning module on anti-corruption during the year.

No crimes of corruption were reported during the year.

Human rights in commerce

Protecting human rights in commerce is CLX's top priority. In some of the countries where we operate, there may be risk of human rights abuses by the suppliers and customers we work with. It is difficult to control this in all aspects and at all levels. We make every effort to manage this by requiring all new suppliers to sign a Code of Conduct in which human rights are covered. Symsoft works in accordance with the UN Global Compact 10 Principles, which include human rights, and our goal is for the Enterprise Division to be covered by the same.

Information and IT security, in commerce and own operations

Information and IT security is critically important to our business and these topics were a matter of intense focus in 2017. CLX has an IT Advisory Council that discusses IT security and drafts relevant policies in the area. These are subject to the approval of the Group CFO. CLX prepared new IT policies in 2017 that apply to the entire Group, including a Data Privacy Policy. There was additional focus this year on the GDPR and ensuring that we meet the requirements imposed by the regulation. We have taken action during the year and redesigned our IT systems to adapt them to the standards we will be required to meet. We conducted a new risk assessment in 2017 in which we identified what is already in place and what we must improve in 2018.

Gaining the support and understanding of employees is an important aspect of this change journey. Towards that end, we have a training on IT control that all employees will complete during 2018. We also further developed our intranet during the year, where all of our policies are gathered in one place for easy access by all employees.

We continuously evaluate our IT systems to ensure that they uphold a high standard of quality and process data in a secure manner. In order to determine whether our systems leak information or do not securely process customer data, CLX has an internal system in which employees can report any non-conformances they have identified. There were no confirmed cases of loss of customer data in 2017.

Ethics and morality in business transactions and legal compliance

It is important to CLX that business is conducted in a due and proper manner. We must keep our promises to our customers and not use dubious methods to lower costs in an industry of heavy price pressure. We aim to be trustworthy and we must perform the services our customers expect to receive. The ethical compass is part of our corporate culture. We promote fair competition in which we keep our promises. Customer benefit is number one for CLX and we are very proud that in recent years the company has been ranked the best A2P supplier in the market.

Compliance with the laws and regulations that apply in all countries that we work with is a steadfast principle at CLX. We therefore have legal advisors covering all countries in which we operate, to understand local legislation. We also have our own legal affairs department in Sweden that construes agreements and ensures that we comply with laws and regulations and manage the situations that occur on an ongoing basis.

THE ENVIRONMENT

The positive environmental impact of the business

Environmental impact is not CLX's most material sustainability topic, but we still believe it is important to reduce the impact that we do have. CLX shall run its business responsibly with consideration for the environment, the company's customers and its employees. The company aspires to steadily reduce the negative environmental impact of its operations. Generally speaking, since the aim of CLX's business is for users of the company's products and services to communicate virtually to a greater extent, CLX is helping reduce the use of paper, which is good for the environment. CLX's products and services also help cut the need for travel and transport in a variety of ways, through delivery of cloud services. Air travel currently generates the largest emissions of greenhouse gases in the world and if we can contribute to reducing air travel, it is good for us and our customers.

Reduced consumption of resources

We have a travel policy to gain control and reduce our travel, and all travel is booked through one travel agency. We seek to use our own products to the greatest extent possible and hold meetings via our services instead of traveling to reduce the negative environmental impact of flying. We also installed new printers during the year that will reduce our use of paper and we are working with efficient product solutions to reduce our use of electricity and other energy.

Charitable work

Our materiality analysis did not show charitable work to be a material topic for CLX. Nevertheless, helping and doing what we can to make the world a better place is important to us as a company. In Sweden, we support Hand in Hand, an organization that is working to eradicate poverty by supporting women in developing countries to start their own businesses. In the United States, we work with Habitat for Humanity. One day a year, US employees help build houses for people who do not have homes of their own.

Symsoft

Symsoft, which constitutes the company's Operator Division, is a signatory to the UN Global Compact. Accordingly, Symsoft publishes an annual Communication of Progress in which it describes its progress in the relevant areas. Symsoft supports the following initiatives:

- EICC Code of Conduct
- GeSI (Global e-Sustainability Initiative)
- EICC-GeSI Extratives Working Group
- iNEMI (International Electronics Manufacturing Initiative)
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- AA1000
- GRI
- EcoVadis

Symsoft complies with EcoVadis, where we achieved the Gold level recognition level, the highest that EcoVadis awards, for the third year running. Companies are evaluated and are scored on their CSR performance in the areas of environment, labor practices, fair business practices and sustainable procurement. Symsoft achieved a total score of 69 out of 100, putting it at an advanced level according to EcoVadis. Overall, Symsoft was ranked among the top 1 percent of suppliers evaluated by EcoVadis in all categories.

OUTLOOK FOR 2018

We will maintain our sustainability management program in 2018 on the same path and develop the materiality analysis. New legislation pertaining to data security and personal data will continue to require significant initiatives. We will continue to recruit the best employees regardless of gender, ethnicity and other circumstances, and will persist in our efforts to reduce our environmental footprint.

ANNUAL GENERAL MEETING, ADDRESSES, DEFINITIONS AND ACRONYMS

ANNUAL GENERAL MEETING

Notice is hereby given to the shareholders in CLX Communications AB (publ) that the annual general meeting will be held on Friday, 18 May 2018 at 14:00 CET at Lindhagensgatan 126, Stockholm, Sweden.

REGISTRATION

Shareholders who wish to attend the annual general meeting must be entered in the share register kept by Euroclear Sweden AB by Friday, 11 May 2018, and must notify the company of their intent to attend by 14 May 2018. Notice of intent to attend may be made by
email to agm2018@clxcommunications.com,
telephone at +46 (0) 8 - 32 75 10, weekdays between the hours of 10:00 and 16:00 CET,
or by **letter** to:
CLX Communications AB
Attn: AGM
Lindhagensgatan 74
112 18 Stockholm, Sweden.

The notice must specify the shareholder's name, civic or corporate identity number, address, daytime telephone number, shareholder and proxies for the shareholder, if any (maximum of two).

PROXIES

Shareholders who intend to be represented by proxies must, well in advance of the annual general meeting, submit a written and dated proxy form (in the original) and, if the shareholder is a legal person, proof of registration (or equivalent authorization appointing the authorized signatory for the company) by letter to:
CLX Communications AB
Lindhagensgatan 74
112 18 Stockholm, Sweden.

Proxy forms are available on the company's website: www.clxcommunications.com or may be ordered by telephone on +46 (0) 8 - 32 75 10.

NOMINEE-REGISTERED SHARES

Shareholders whose shares are registered to a nominee must temporarily re-register the shares in their own name to be entitled to attend the meeting. Such registration must be executed by Friday, 11 May 2018. The shareholder should contact the nominee in good time before the aforementioned date.

FORTHCOMING REPORTING DATES

Interim report, January–March 2018	18 May 2018
Half-yearly report, January–June 2018	20 Jul 2018
Interim report, January–September 2018	6 Nov 2018

CLX EXPLAINS ALL TERMS AND ACRONYMS

A2P:	Acronym for Application-to-Person, which describes communication from an enterprise application (or system) to a person's mobile phone. This is as opposed to Person-to-Person (P2P) communication.
API:	Acronym for Application Programming Interface, an interface between systems that defines functions and calls between application programming makes it possible to easily link applications and systems.
BSS:	Acronym for Business Support Systems.
CPaaS:	Acronym for Communications Platform as a Service.
IoT:	Acronym for Internet of Things, an umbrella term for the connected society where different things, devices, etc., are connected and thus able to communicate so that their behavior can be adapted to the situation to get smarter.
ISO certification:	Certification of a business or organization against ISO standards. Certification means that the business or organization applies a systematic quality management system that assures the quality of the objects of quality assurance.
M2M:	Acronym for Machine-to-Machine communication, the technical process that enables communication between devices. M2M is an integrated component of IoT. This is as opposed to Person-to-Person (P2P) communication.
MMS:	Acronym for Multimedia Messaging Service, a further development of SMS that enables sending of multimedia, such as pictures and video clips between mobile phones.
MMSC:	Acronym for Multimedia Messaging Service Center, the equipment mobile operators use to handle MMS.
MNO:	Acronym for Mobile Network Operator.
Cloud services:	ITC services provided over the internet on an external resource instead of the user’s own computers; i.e., the option to manage programs, data storage, capacity and processing power via the internet.
MVNO:	Acronym for Mobile Virtual Network Operator.
RCS:	Acronym for Rich Communication Services, a further development of SMS and MMS that enables the sending of more advanced communications, such as text, pictures and video, between individuals or groups.
SaaS:	Acronym for Software-as-a-Service, a type of cloud service that provides programs and applications over the internet.
SDK:	Acronym for Software Development Kit, a set of software development tools that allows the creation of applications for a certain software package, hardware platform, video game consol, operating system or similar development platform.
SMS:	Acronym for Short Message Service, a service for short text messages sent to and from mobile phones.
SMSC:	Acronym for Short Message Service Center, the equipment mobile operators used to handle SMS.
Tier 1 Super Network:	The CLX Tier 1 Super Network comprises more than 300 direct commercial relationships and technical links with the world’s largest mobile operators. It reaches all five billion people who own a mobile device and gives CLX a major competitive advantage that others have difficulty achieving.
TTM:	Acronym for Time To Market, the time it takes from when a product or service is created until it is available for sale.
VAS	Acronym for Value Added Services, a popular term in the telecoms industry for non-core services, originally referring to all services beyond standard voice calls. However, in recent years, SMS, MMS and data access have increasingly become core services.
VPaaS:	Acronym for Video Platform as a Service.

LARGEST CLX OFFICES	Country	Address	Telephone
STOCKHOLM – HEADQUARTERS	**Sweden**	Lindhagensgatan 74 112 18 Stockholm, Sweden	+46 (0) 8 32 75 10
ATLANTA	**United States**	7000 Central Parkway Suite 1150 Atlanta, Georgia 30328, USA	
LONDON	**United Kingdom**	CAP House 4th Floor 9-12 Long Lane London, EC1A 9HA	

Other CLX offices

CITY	COUNTRY	CITY	COUNTRY
Baghdad	Iraq	Madrid	Spain
Bangalore	India	Melbourne	Australia
Bogota	Bogota	Miami	United States
Canterbury	United Kingdom	Montreal	Canada
Copenhagen	Denmark	Munich	Germany
Dallas	United States	New York	United States
Dortmund	Germany	Paris	France
Dubai	United Arab Emirates	Prague	Czech Republic
Gothenburg	Sweden	Quito	Ecuador
Guatemala City	Guatemala	San Francisco	United States
Istanbul	Turkey	Seattle	United States
Kalmar	Sweden	Sheffield	United Kingdom
Kiev	Ukraine	Singapore	Singapore
Kuala Lumpur	Malaysia	Sydney	Australia
Lima	Peru	Warsaw	Poland
Lund	Sweden		

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