

Interim Report, July 2015 – June 2016

Fourth quarter, April – June 2016

- Net sales increased by 24 percent to SEK 290.3 million (234.4). Adjusted for foreign exchange fluctuations the growth was 26 percent.
- EBITDA amounted to SEK -1.0 million (10.1).
- EBITDA excluding items affecting comparability amounted to SEK 12.0 million (16.4).¹
- EBIT amounted to SEK -2.9 million (8.5).
- Net profit for the quarter amounted to SEK -5.8 million (2.9).
- Diluted earnings per share amounted to SEK -0.18 (0.10).

July 2015 – June 2016

- Net sales increased by 27 percent to SEK 1,074.2 million (844.4). Adjusted for foreign exchange fluctuations the growth was 24 percent.
- EBITDA amounted to SEK 65.7 million (93.1).
- EBITDA excluding items affecting comparability amounted to SEK 92.7 million (89.1).¹
- EBIT amounted to SEK 58.7 (88.7).
- Net profit for the period amounted to SEK 41.9 million (52.9).
- Diluted earnings per share amounted to SEK 1.25 (1.77).

Significant events during the quarter

- The company signed a binding agreement for the acquisition of Mblox Inc.
- Extraordinary general meetings resolved on a rights issue to partly finance the acquisition of Mblox Inc. and amendment of the financial year to the calendar year from 1 January 2017. This means that the current financial year will be extended to 18 months.
- During the quarter the Operator Division has had very good order intake and has signed a number of significant deals, including business with a leading mobile phone operator in the Middle East. This deal is worth approximately SEK 32 million and will be recognized as revenue in pace with completion of the project during the next quarters. In addition, the Operator Division closed other deals in the quarter representing approximately SEK 20 million, which will also be recognized as revenue over the coming quarters.

Significant events after the end of the period

- The acquisition of Mblox Inc. was completed on July 11 and will be included in the Group's financial statements from this date. The purchase price was USD 117 million on a debt-free basis. At 31 December 2015, Mblox employed 188 people and had sales in 2015 of USD 140 million with EBITDA of USD 6.9 million. Through this acquisition, CLX strengthens its position as one of the global leaders in cloud-based communications services for enterprises and organizations.
- To partially finance the acquisition of all shares in Mblox Inc. the company completed a preferential rights issue of 16,216,215 shares to existing shareholders. The issue provided the company with approximately SEK 624 million before issue costs.
- The company has also raised new interest-bearing credit facilities of approximately SEK 400 million in order to finance the remainder of the purchase price.

1) For a specification of items affecting comparability, see under "Operating profit" on page 5.

Invitation to report presentation

The report will be presented at a phone conference at 10:00 a.m. on August 23. To listen to the presentation, please call +46 (0) 8 852 500 187, stating conference ID 672-050-918. To also be able to ask questions, please follow the meeting online at: <https://attendee.gotowebinar.com/register/7774116032550703363> (Webinar ID: 820-856-923).

About CLX Communications

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

Message from the CEO



Our activities during the quarter have focused on preparations for taking over Mblox, one of the USA's and the world's leading providers of cloud-based communications. The acquisition doubles our size, and Mblox's strong position in the US market will be a significant and important complement to our strong presence in Europe.

In 2015, total sales for Mblox and CLX were over SEK 2.1 billion, with an operating profit of SEK 150 million. In a single move this makes us one of the globally leading providers of cloud-based communications services for enterprises. As previously communicated, we also expect annual synergies of USD 10 million, which will contribute to higher profitability. Our intention is to use this foundation to continue to grow, both organically and through acquisitions, and to deliver value for our shareholders.

We have historically focused on growing our market share organically, and have chosen to continue to do this over the past year even though it has had some negative impact on our gross margin and profitability. The aim has been to achieve economies of scale which, combined with our cost-effective organization, create the conditions to make us one of the market's leading and most profitable providers. With the acquisition of Mblox we have come a very long way toward the market position we are striving to achieve.

The acquisition is also an important component of our stated strategy to expand into geographies and market segments where the gross margin is high, such as in the USA, in order to offset the lower gross margins in areas such as Europe.

A new organization has been created to ensure the integration of Mblox takes place according to plan and delivers the expected synergies, both operationally and financially. To achieve full synergies from the acquisition a technology project has been initiated, intended to migrate all customers to a uniform technical platform.

In addition to the activities related to the acquisition of Mblox, work is continuing toward achieving our vision of being a globally leading provider of cloud-based communications services, development tools, products and infrastructure. We continue to invest in development in the field of the Internet of Things (IoT) to meet the demand we envisage in this area going forward.

What makes our position so strong is that we have purposefully focused on providing the world's largest and leading companies with a complete portfolio of products and services for effective communication with their customers. The acquisition of Mblox also gives us a more powerful offering for small- and medium-sized enterprises, Mblox Online. This will be a cost-effective tool to increase our exposure to this segment of the market.

Although there has been a focus on Mblox during the quarter, the operations within our Enterprise Division, where we supply strategic support systems to mobile operators, has continued to perform very well, with a number of large and very valuable orders.

In conclusion, I look to the future with great confidence and self-assurance. Through the combination of continued growth in our core operations, the acquisition of Mblox and our investments in IoT, we are further advancing our position as the leading global partner in cloud-based communications services.

Stockholm, 23 August 2016

Johan Hedberg
President and CEO

Operations

The market

CLX operates in a complex global market where a number of factors, both short-term and long-term, affect growth and profitability. The market for cloud-based communications services and tools is highly fragmented but is in general characterized by strong growth. CLX has purposefully built up a leading market position which means that the company is well positioned to be an active participant and to benefit from opportunities to consolidate the market.

A long-term trend affecting CLX and the operations of other players is that large customers are becoming more cost-aware and are enhancing their purchasing functions. The emphasis on purchasing functions and their clearer strategic role among major global companies is a development permeating most industries.

Meanwhile, CLX believes there are good opportunities to offset this by increasing exposure to product and development areas with higher margins, such as the strongly growing demand for technology related to the Internet of Things (IoT). CLX is also focusing on addressing and growing in geographic markets with higher gross margins and in market segments with the potential for higher profitability. The acquisition of Mblox contributes significantly to both of these initiatives, partly through Mblox's strong market position in the US market and partly through the Mblox Online offering for small- and medium-sized companies.

CLX Group in summary

CLX Group, SEK million	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Net sales	290.3	234.4	1,074.2	844.4
Gross profit	64.4	62.3	288.0	251.9
<i>Gross margin</i>	22.2%	26.6%	26.8%	29.8%
Operating profit, EBITDA	-1.0	10.1	65.7	93.1
<i>EBITDA margin</i>	-0.3%	4.3%	6.1%	11.0%
EBITDA excluding items affecting comparability	12.0	16.4	92.7	89.1
<i>EBITDA-margin excl items affecting comparability</i>	4.1%	7.0%	8.6%	10.6%
Operating profit, EBIT	-2.9	8.5	58.7	88.7
<i>EBIT margin</i>	-1.0%	3.6%	5.5%	10.5%
Profit for the period	-5.8	2.9	41.9	52.9
<i>Net margin</i>	-2.0%	1.3%	3.9%	6.3%
Cash flow from operating activities	25.6	35.6	39.9	94.9
<i>Equity ratio</i>	22.8%	12.4%	22.8%	12.4%
Diluted earnings per share, SEK	-0.18	0.10	1.25	1.77
Average number of employees	156	143	153	138

April 2016 – June 2016

Net sales

Consolidated net sales grew in the quarter by 24 percent to SEK 290.3 million (234.4) compared to the corresponding quarter in the previous year. Adjusted for fluctuations in foreign exchange the growth was 26 percent.

Growth in the quarter is a result of organic growth in the Enterprise Division. The underlying growth among existing customers has been strong and we have also added new customers.

Gross profit

During the quarter, gross profit amounted to SEK 64.4 million (62.3) and the gross margin amounted to 22.2 percent (26.6).

CLX's gross margins and gross profit are influenced by fluctuations and changes in the market. The following factors have influenced the development of gross margins and gross profit during the period:

- Some traffic routes between different operators, which have temporarily had higher margins, have closed. This has affected the profitability of some geographic markets during the period. This type of temporary opportunity arises continuously in the market and is utilized by players such as CLX that have good market knowledge.
- The company continues to grow in national traffic, which has a lower gross margin than international traffic, and also grew in a number of major geographic markets where the underlying transaction cost is high, resulting in a lower gross margin.
- There is increased focus on costs among a number of customers with more professional purchasing functions and procedures.
- In a number of geographic markets there is generalized price pressure that is substantially driven by a number of smaller suppliers that use dubious methods to send messages at a basically non-existent cost. CLX is actively working together with the industry, customers and operators to ensure these activities will be restricted or cease.

The fact that the gross margin changes over time is an important factor to take into account in CLX's long-term strategic planning. In order to create additional economies of scale and ensure that the long-term target for returns is achieved, CLX is prioritizing growth, both organically and through acquisitions. The acquisition of Mblox is an important part of this strategy as it more than doubles group sales. It will also create a substantially stronger market position in the important US market, which is characterized by significantly higher gross margins.

The acquisition also provides CLX with a much stronger negotiating position with both customers and operators, which will have a positive impact on the gross margin. The company will continuously evaluate and take action when the profitability of customers is not judged able to contribute to CLX's long-term profitability target. A number of operator agreements will also be raised for renegotiation, based on increased traffic volumes.

The ongoing work on profitability and margins also includes updated internal pricing policies, automated price barriers etc. within the Group's integrated technology platform, as well as corporate bonus models with a greater focus on margin targets.

Operating profit

EBITDA decreased by SEK 11.1 million to SEK -1.0 million (10.1) compared to the same quarter in the previous year. EBIT decreased by SEK 11.4 million to SEK -2.9 million (8.5) compared to the same quarter in the previous year.

Acquisition costs relating to Mblox are charged to operating profit for the quarter at SEK 13.0 million. The previous year's operating profit included market listing costs of SEK 6.3 million. Adjusted for these items, EBITDA amounted to SEK 12.0 million (16.4) and EBIT to SEK 10.1 million (14.8). Foreign exchange fluctuations affected operating profit for the quarter by SEK 1.9 million (1.2).

Operating costs increased by 14 percent compared to the corresponding quarter in the previous year. Excluding foreign exchange effects the increase was 15 percent. The increase is mainly due to higher costs in the Enterprise Division, which are linked to the expansion in new markets, and higher costs for IT operations to manage the rapidly increasing number of transactions being handled by CLX.

July 2015 – June 2016

Net sales

Net sales increased by 27 percent compared to the corresponding period in the previous year and amounted to SEK 1,074.2 million (844.4). Growth adjusted for foreign exchange fluctuations was 25 percent. Group revenues consist mainly of EUR, GBP and USD.

Gross profit

Gross profit increased to SEK 288.0 million (251.9). The gross margin amounted to 26.8 percent (29.8).

Operating profit

EBITDA decreased to SEK 65.7 million (93.1). EBIT decreased to SEK 58.7 million (88.7). Market listing costs, acquisition costs and a revaluation of the forward contracts portfolio in the first quarter of the year were charged to profit at SEK 27.0 million.

Profit for the previous year included revenue for recovered previously impaired accounts receivable of SEK 10.3 million and market listing costs of SEK 6.3 million. Adjusted for these items, EBITDA amounted to SEK 92.7 million (89.1) and EBIT to SEK 85.7 million (84.7). Foreign exchange fluctuations affected operating profit for the period by SEK -3.4 million (12.3).

Other income and expense items

Net finance items amounted to SEK 0 million (-18.9). Interest costs are substantially lower than in the previous year since loans from the parent company have been repaid and partly replaced by bank loans. The Group's effective tax rate amounted to 28.6 percent (24.1). The increase is primarily attributable to the non-deductible acquisition costs of SEK 13.0 million. Net profit for the period amounted to SEK 41.9 million (52.9).

Investments

Net investments in intangible assets and property, plant and equipment amounted to SEK 24.3 million (7.3). Investments relate primarily to capitalized development expenditure of SEK 14.2 million (3.3) and licenses.

CLX has increased investments in areas including the development of new services in the strategically important field of IoT. The investments consist both of development work and of hardware and software used for the operation of customer systems within the framework of the company's Managed Service offering.

During the period, an advance payment of SEK 50 million (USD 6 million) was made to the sellers of Mblox Inc.

Cash flow, liquidity and financial position

Cash flow from operating activities amounted to SEK 39.9 million (94.9). The lower cash flow is mainly attributable to sales growth and thus increasing accounts receivable. In several of the markets where CLX operates, some customers lack the ambition to settle in accordance with the agreed payment terms, and CLX is therefore forced to work continuously to collect payments and reduce working capital tied up. This work will be intensified in connection with the acquisition of Mblox, which has had a well-developed function for achieving this.

Consolidated cash and cash equivalents at 30 June 2016 amounted to SEK 9.3 million (71.0) as well as an unutilized credit facility of SEK 100 million (100). Equity at 30 June 2016 amounted to SEK 98.6 million (41.5), corresponding to an equity ratio of 22.8 percent (12.4). Equity per share amounted to SEK 2.88 (33.83).

Employees

The average number of employees (full-time equivalents) in the Group amounted to 153 (138), of which 15 percent (14) female. CLX continues to recruit new employees, both in Sweden and internationally. Including consultants, the Group engaged an average of approximately 195 persons during the period.

Significant events after the end of the period

- The acquisition of Mblox Inc. was completed on July 11 and will be included in the Group's financial statements from this date. The purchase price was USD 117 million on a debt-free basis. At 31 December 2015, Mblox employed 188 people and had sales in 2015 of USD 140 million with EBITDA of USD 6.9 million. Through this acquisition, CLX strengthens its position as one of the global leaders in cloud-based communications services for enterprises and organizations. The accounting for business combinations (acquisition analysis) is per the reporting date incomplete, therefore certain information could not be provided in this interim report.
- To partially finance the acquisition, the company completed a preferential rights issue totaling 16,216,215 shares to existing shareholders. The issue provided the company with approximately SEK 624 million before issue costs.
- The company has also raised new interest-bearing credit facilities of approximately SEK 400 million in order to finance the remainder of the purchase price.
- In order to strengthen the relationship and communication with stock market participants, CLX has established a dedicated function for investor relations. Thomas Ahlerup, with more than 15 years of experience working in investor relations, will be responsible for this function in close collaboration with the company management.

Other

- On October 8, CLX Communications' shares were admitted to trading on the Nasdaq Stockholm exchange. The offering price was SEK 59 per share. At the listing, the majority of the existing main shareholders sold approximately 50 percent of their holdings to benefit a number of mainly Swedish institutional investors. In connection with the listing, all 2,432,430 preference shares were converted into ordinary shares.
- The company held an extraordinary general meeting for a resolution on a change of the financial year. The meeting resolved that the company's financial year will change to the calendar year from 1 January 2017. This means that the current financial year of 1 July 2015 – 30 June 2016 will be extended by six months to include the period 1 July 2015 – 31 December 2016.
- The next annual general meeting will be held in the spring of 2017.

Enterprise Division

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

Enterprise Division, SEK million	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Net sales	256.6	194.7	908.8	711.8
Gross profit	32.5	34.3	133.4	132.5
Gross margin	12.7%	17.6%	14.7%	18.6%
Operating profit, EBITDA	6.8	13.3	42.7	54.4
EBITDA margin	2.7%	6.8%	4.7%	7.6%

CLX's efforts in the rapidly growing field of IoT have intensified and a number of positive discussions with potential customers are ongoing. Investments in this field are approaching a commercialization phase, while intensive development work is ongoing in tandem to gradually launch new functionality during 2016 and early 2017.

Net sales

The Enterprise Division continues to grow at a rapid pace. During the quarter net sales increased by SEK 61.9 million to SEK 256.6 million (194.7), corresponding to 32 percent, compared to the corresponding period in the previous year. This growth is organic, primarily driven by the following factors:

- CLX's existing customers are expanding their engagement, partly through volume growth and partly through investing in more of CLX's new products and services.
- CLX is winning business from new customer groups.
- CLX is expanding geographically and establishing new sales offices.
- CLX's reseller strategy continues to mature and a number of tools are now available to support a broadened channel strategy.

Profit

Gross profit decreased during the quarter to SEK 32.5 million (34.3) compared to the same quarter in the previous year. The decrease in the gross profit and gross margin has several explanations. The acquisition of Mblox will increase the division's gross margin significantly, and has also created the conditions for a number of active measures to strengthen the gross margin in several major markets. This is described in more detail above, under the Group's gross profit.

During the quarter, EBITDA decreased by SEK 6.5 million to SEK 6.8 million (13.3) compared to the same quarter in the previous year. Operating costs have increased as a result of expansion in new geographic markets (connections to local operators, sales personnel, office costs) and higher

costs for IT operations etc. because of the rapidly increasing transaction volumes. A support cost of approximately SEK 2 million relating to the entire financial year was expensed during the quarter.

Foreign exchange fluctuations impacted the division's operating profit during the quarter by SEK 1.2 million (1.7).

Other

During the quarter, work on the acquisition of Mblox has, as expected, required time and effort from a number of senior individuals, which has temporarily had some negative impact on other operations.

Operations in France continued to develop positively during the quarter, with rapidly increasing volumes. During the quarter the Enterprise Division initiated an establishment in the German market.

Operator Division

The Operator Division develops software solutions for mobile operators and other service providers such as mobile virtual network operators (MVNOs). The division supplies software solutions, as both products and services, to enable operators to effectively manage their services in messaging and payments.

There was clear recognition that CLX's leading product and service portfolio is perceived as highly competitive when Ericsson and SAP included parts of the CLX product portfolio in their offerings in the beginning of the year. In addition to generating considerably greater sales reach, the collaboration with Ericsson and SAP greatly enhances CLX's credibility as a leading supplier with global capacity.

CLX received much attention and created significant interest in the Platform as a Service (PaaS) offering during the Mobile World Congress in Barcelona. The product offering and related services were well received by both mobile virtual network operators (MVNOs) and traditional mobile network operators (MNOs). By combining cost efficiency, a new business model and rapid time to market, CLX provides a lower entry threshold for a broader segment of the market than we currently address.

Additionally, the Operator Division has had very good order intake during the quarter and signed a number of significant deals, one with a leading mobile phone operator in the Middle East. This transaction is worth approximately SEK 32 million and will be recognized as revenue in pace with completion of the project during the next quarters. In addition, other business representing approximately SEK 20 million has been closed during the quarter, which will also be recognized as revenue over the coming quarters. These transactions will have a significantly positive impact on the division's sales and earnings.

Business of this magnitude has historically been the exception, and should not be seen as a lasting trend in the near term. However, CLX believes that going forward it will increasingly be included in significant procurements. The division's sales forecast remains good.

	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Operator Division, SEK million				
Net sales	38.2	47.0	173.1	154.6
Gross profit	31.8	40.2	154.6	137.8
Gross margin	83.4%	85.5%	89.3%	89.2%
Operating profit, EBITDA	6.3	3.4	52.4	45.0
EBITDA margin	16.6%	7.3%	30.3%	29.1%

Net sales

Net sales in the Operator Division decreased during the quarter by SEK 8.8 million to SEK 38.2 million (47.0). The decrease is primarily explained by lower completions of projects.

Much work was undertaken during the quarter on development projects for which no customer invoicing takes place. At the same time, no significant capacity expansion projects have been implemented. Such major projects are initiated at irregular intervals, and the effects on individual quarters can therefore be significant.

The launch of the CLX Managed Service offering has attracted great interest from market participants. Since revenues from these activities are of a recurring nature, the great interest represents a positive outlook for the development of the business. CLX has a strategic goal to increase the proportion of repeat revenue in the Operator Division, so we confidently look forward to a continued positive development for this offering.

Profit

Gross profit decreased during the quarter by SEK 8.4 million to SEK 31.8 million (40.2) compared to the same quarter in the previous year. EBITDA increased by SEK 2.9 million to SEK 6.3 million (3.4) compared to the same quarter in the previous year. The comparison quarter included, among other things, significant software costs and provisions for bonus payments. Foreign exchange fluctuations impacted the division's operating profit during the quarter by SEK 0.9 million (-0.4).

Other

The Operator Division continues to invest in its Platform as a Service (PaaS) offering in order to address the demand among existing and new types of customer groups that want to launch or improve communications services.

Quarterly summary

CLX Group, SEK million	Jul - Sep 2014	Oct - Dec 2014	Jan - Mar 2015	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2016	Apr - Jun 2016
Net sales	181.7	215.5	212.8	234.4	243.2	273.5	267.2	290.3
Gross profit	57.1	63.3	69.1	62.3	73.4	83.0	67.2	64.4
Gross margin	31.4%	29.4%	32.5%	26.6%	30.2%	30.4%	25.1%	22.2%
Operating profit, EBITDA	24.3	35.4	23.4	10.1	13.5	27.9	25.3	-1.0
EBITDA margin	13.4%	16.4%	11.0%	4.3%	5.5%	10.2%	9.5%	-0.3%

Enterprise Division, SEK million	Jul - Sep 2014	Oct - Dec 2014	Jan - Mar 2015	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2016	Apr - Jun 2016
Net sales	155.7	179.4	182.1	194.7	197.9	224.2	230.2	256.6
Gross profit	31.6	36.6	29.9	34.3	31.2	37.1	32.5	32.5
Gross margin	20.3%	20.4%	16.4%	17.6%	15.8%	16.6%	14.1%	12.7%
Operating profit, EBITDA	16.5	14.0	10.5	13.3	8.5	13.3	14.1	6.8
EBITDA margin	10.6%	7.8%	5.8%	6.8%	4.3%	5.9%	6.1%	2.7%

Operator Division, SEK million	Jul - Sep 2014	Oct - Dec 2014	Jan - Mar 2015	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2016	Apr - Jun 2016
Net sales	30.0	39.0	38.6	47.0	46.6	50.5	37.9	38.2
Gross profit	28.9	33.7	35.1	40.2	42.3	45.9	34.6	31.8
Gross margin	96.2%	86.4%	90.9%	85.5%	90.6%	91.0%	91.4%	83.2%
Operating profit, EBITDA	7.8	21.4	12.5	3.4	16.2	17.4	12.4	6.3
EBITDA margin	25.8%	54.9%	32.4%	7.3%	34.7%	34.5%	32.9%	16.5%

Condensed income statement

CLX Group, SEK million	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Net sales	290.3	234.4	1,074.2	844.4
Other operating income	4.0	4.9	19.4	29.6
Work performed by the entity and capitalized	4.6	0.9	14.2	3.3
Cost of goods sold and services	-225.9	-172.0	-786.2	-592.5
Other external costs	-31.6	-16.9	-91.3	-58.3
Employee benefits expense	-38.1	-37.1	-140.3	-124.7
Depreciation and amortization	-1.9	-1.5	-7.0	-4.4
Other operating expenses	-4.3	-4.2	-24.4	-8.6
Operating profit/loss, EBIT	-2.9	8.5	58.7	88.7
Finance income	1.2	0.1	3.3	0.9
Finance expenses	-1.2	-2.2	-3.3	-19.8
Profit/loss before tax	-2.9	6.5	58.7	69.8
Current tax	-2.4	2.1	-15.5	-11.0
Deferred tax	-0.4	-5.6	-1.3	-5.8
Profit/loss for the period	-5.8	2.9	41.9	52.9
Attributable to:				
Owners of the parent	-5.8	3.2	41.6	53.2
Non-controlling interests	0.0	-0.3	0.3	-0.3

Earnings per share

CLX Group, SEK	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Earnings per share				
- Basic	-0.18	0.11	1.31	1.77
- Diluted	-0.18	0.10	1.25	1.77

Condensed statement of comprehensive income

CLX Group, SEK million	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Profit for the period	-5.8	2.9	41.9	52.9
Other comprehensive income or loss				
Translation differences in translating data in foreign operations	0.1	-0.2	-0.1	0.2
Cash flow hedges	21.6	-	24.2	-
Tax effect on items in other comprehensive income	-4.7	-	-5.3	-
Other comprehensive income for the period	16.9	-0.2	18.8	0.2
Total comprehensive income for the period	11.2	2.8	60.7	53.1
Attributable to:				
Owners of the parent	11.1	3.0	60.4	53.4
Non-controlling interests	0.0	-0.3	0.3	-0.3

Condensed balance sheet

CLX Group, SEK million	Note	6/30/2016	6/30/2015
Assets			
Goodwill		56.7	56.8
Other intangible non-current assets		22.6	9.1
Tangible non-current assets		8.6	4.7
Non-current financial assets		5.5	2.6
Deferred tax assets		0.8	0.2
<i>Total non-current assets</i>		<i>94.1</i>	<i>73.4</i>
Inventories		0.9	0.2
Financial receivable		50.0	-
Other current receivables		278.6	189.6
Cash and cash equivalents		9.3	71.0
<i>Total current assets</i>		<i>338.8</i>	<i>260.7</i>
Total assets		432.9	334.2
Equity and liabilities			
Equity attributable to owners of the parent	2	93.5	36.6
Non-controlling interests		5.2	4.9
<i>Total equity</i>		<i>98.6</i>	<i>41.5</i>
Non-current liabilities, interest bearing		-	80.8
Non-current liabilities, non-interest bearing		15.3	13.4
<i>Total non-current liabilities</i>		<i>15.3</i>	<i>94.3</i>
Current liabilities, interest bearing		58.1	-
Current liabilities, non-interest bearing		260.9	198.5
<i>Total current liabilities</i>		<i>319.0</i>	<i>198.5</i>
Total equity and liabilities		432.9	334.2
Pledged assets and contingent liabilities	3	See note	See note
Financial instruments measured at fair value			
Derivatives with positive value		26.6	3.8
Derivatives with negative value		3.6	0.4

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The financial assets and liabilities are attributable to valuation levels 2 and 3. For information on the valuation techniques, please refer to Note 4 in the 2014/15 Annual Report.

Condensed statement of changes in equity

CLX Group, SEK million	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Other capital contributions	Reserves	Retained earnings	Total		
Opening balance 1 July 2014	0.1	63.0	-0.1	-191.3	-128.3	0.0	-128.3
Total comprehensive income			0.2	53.2	53.4	-0.3	53.1
Acquisition of 66.67% of the shares in Caleo Technologies AB					-	5.2	4.7
Put option Caleo Technologies AB			-0.5		-0.5		-0.5
Repayment conditional shareholder contribution		-38.0			-38.0		-38.0
New share issue	0.0	150.0			150.0		150.5
Closing balance 30 June 2015	0.1	175.0	-0.4	-138.1	36.6	4.9	41.5
Opening balance 1 July 2015	0.1	175.0	-0.4	-138.1	36.6	4.9	41.5
Total comprehensive income			18.8	41.6	60.4	0.3	60.7
Bonus issue	3.2			-3.2	0.0		0.0
Issue costs, net after tax		-3.5			-3.5		-3.5
Closing balance 30 June 2016	3.2	171.5	18.4	-99.7	93.5	5.2	98.6

Condensed statement of cash flows

CLX Group, SEK million	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Cash flow before changes in working capital	4.8	-7.4	59.4	28.8
Changes in working capital	20.8	43.0	-19.5	66.2
Cash flow from operating activities	25.6	35.6	39.9	94.9
Net investments in tangible and intangible assets	-8.8	-5.0	-24.3	-7.3
Changes in financial assets	-	0.8	-	-
Advance payment to the sellers of Mblox Inc.	-50.0	-	-50.0	-
Acquisition of subsidiary/net assets	-	-	-	-2.6
Cash flow from investing activities	-58.8	-4.2	-74.3	-9.8
New loans	-	79.9	-	79.9
Amortization of loan	-1.6	-	-21.7	-
Amortization loan ultimate parent company	-	-128.7	-1.0	-150.5
New share issue	-4.5	-	-4.5	-
Contribution from non-controlling interests	-	0.5	-	0.5
Cash flow from financing activities	-6.1	-48.4	-27.2	-70.2
Period's cash flow	-39.3	-17.0	-61.6	14.9
Cash and cash equivalents at the beginning of the period	48.5	88.1	71.0	55.9
Exchange differences in cash and cash equivalents	0.1	-0.1	-0.1	0.2
Cash and cash equivalents at the end of the period	9.3	71.0	9.3	71.0

Other information

CLX Group, SEK million	Apr - Jun 2016	Apr - Jun 2015	Jul - Jun 2015/16	Jul - Jun 2014/15
Share information				
Basic earnings per share, SEK	-0.18	0.11	1.31	1.77
Diluted earnings per share, SEK	-0.18	0.10	1.25	1.77
Basic average number of shares*	32,432,430	30,000,000	31,772,675	30,000,000
Diluted average number of shares*	32,432,430	30,135,135	32,432,430	30,033,321
Number of ordinary shares at the end of the period	32,432,430	1,000,000	32,432,430	1,000,000
Total number of shares at the end of the period	32,432,430	1,081,081	32,432,430	1,081,081
Financial position				
Equity attributable to owners of the parent	93.5	36.6	93.5	36.6
Equity ratio	22.8%	12.4%	22.8%	12.4%
Equity per share, SEK	2.88	33.83	2.88	33.83
Net investments in tangible and intangible assets	8.8	5.0	24.3	7.3
Cash and cash equivalents	9.3	71.0	9.3	71.0
Net debt	48.9	9.8	48.9	9.8
Employees				
Number of FTEs	156	143	153	138
Of which woman	16%	14%	15%	14%
Key figures				
Operating margin, EBITDA	-0.3%	4.3%	6.1%	11.0%
Operating margin, EBIT	-1.0%	3.6%	5.5%	10.5%
Net margin, Profit for the period	-2.0%	1.3%	3.9%	6.3%

*Average number of shares has been recalculated after split 1:30 for comparison.

Operating segments

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

Apr - Jun 2016, SEK million	Enterprise Division	Operator Division	Parent company and eliminations	Group
External revenue	256.6	33.7	-	290.3
Internal revenue	0.0	4.5	-4.5	-
Gross profit	32.5	31.8	0.0	64.4
EBITDA	6.8	6.3	-14.1	-1.0
Depreciation and amortization				-1.9
EBIT				-2.9
Finance items				0.0
Profit before tax				-2.9

EBITDA for the parent company amount to SEK -1.1 million. Acquisition cost of SEK -13.0 million is included in eliminations.

Apr - Jun 2015, SEK million	Enterprise Division	Operator Division	Parent company and eliminations	Group
External revenue	193.2	41.2	-	234.4
Internal revenue	1.5	5.8	-7.3	-
Gross profit	34.3	40.2	-12.2	62.3
EBITDA	13.3	3.4	-6.6	10.1
Depreciation and amortization				-1.5
EBIT				8.5
Finance items				-2.1
Profit before tax				6.5

EBITDA for the parent company amount to SEK -6.3 million, of which IPO cost amount to SEK -6.3 million.

Jul - Jun 2015/16, SEK million	Enterprise Division	Operator Division	Parent company and eliminations	Group
External revenue	908.1	166.0	-	1,074.2
Internal revenue	0.7	7.1	-7.8	-
Gross profit	133.4	154.6	0.0	288.0
EBITDA	42.7	52.4	-29.4	65.7
Depreciation and amortization				-7.0
EBIT				58.7
Finance items				0.0
Profit before tax				58.7

EBITDA for the parent company amount to SEK -16.4 million, of which IPO cost amount to SEK -11.2 million. Acquisition cost of SEK -13.0 million is included in eliminations.

Jul - Jun 2014/15, SEK million	Enterprise Division	Operator Division	Parent company and eliminations	Group
External revenue	704.0	140.4	-	844.4
Internal revenue	7.8	14.3	-22.1	-
Gross profit	132.5	137.8	-18.5	251.9
EBITDA	54.4	45.0	-6.3	93.1
Depreciation and amortization				-4.4
EBIT				88.7
Finance items				-18.9
Profit before tax				69.8

EBITDA for the parent company amount to SEK -6.3 million, of which IPO cost amount to SEK -6.3 million.

Note 1 – Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in notes and in other places in the interim report. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act, which is in accordance with RFR 2 Accounting of Legal Entities. None of the new or amended IFRS standards or interpretations from the IFRS Interpretations Committee which apply from 1 July 2015 has had any material impact on CLX's financial statements. From 1 October 2015, the Group applies hedge accounting of forward foreign exchange contracts, with the effect recognized in other comprehensive income instead of profit for the period. Aside from this, the accounting policies and calculation methods are unchanged from those applied in the Annual Report 2014/15.

Note 2 – Shares and share capital

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 to SEK 3,243,243 and to execute a 30:1 stock split, which increased the number of shares in the company to 32,432,430. In connection with the listing of the company, all 2,432,430 preference shares were converted into ordinary shares.

Note 3 – Pledged assets and contingent liabilities

The shares in CLX Networks AB and Symsoft AB have been pledged as collateral for the obligations within the current loan agreement. The group value of the pledged assets on 30 June 2016 amounted to SEK 258.6 million (212.0). In addition, floating charges in these companies of SEK 20 million (20) and SEK 25 million (25), respectively, have been pledged as collateral for the loan agreement. Other guarantees and restricted funds amounted to SEK 4.4 million (5.6).

Parent company

CLX Communications AB (publ) owns and manages the shares attributable to the CLX Group. The Group's operational and strategic management functions have been centralized to the parent company during the period. At the end of the period the parent company had 5 (-) employees. The parent company has no external business activities and the risks are mainly related to the operations of the subsidiaries. Finance items for the period include dividends from subsidiaries of SEK 20.0 million (-).

Condensed parent company income statement and balance sheet

CLX Communications AB, SEK million	Jul - Jun 2015/16	Jul - Jun 2014/15
Operating revenue	4.5	0.2
Operating costs	-21.0	-6.4
Operating loss, EBIT	-16.5	-6.3
Finance items	14.4	-19.5
Loss after financial items	-2.1	-25.8
Appropriations	-	27.1
Tax on profit/loss for the period	4.2	-0.3
Profit for the period	2.1	1.0

CLX Communications AB, SEK million	6/30/2016	6/30/2015
Assets		
Non-current assets	355.0	350.0
Current assets	-107.7	1.3
Total assets	247.3	351.2
Equity and liabilities		
Equity	178.0	179.4
Non-current liabilities	-	80.8
Current liabilities	69.3	91.0
Total equity and liabilities	247.3	351.2
Pledged assets and contingent liabilities	350.0	350.0

Definitions of financial terms, performance measures and operational measures

Financial measures defined under IFRS:

Gross profit	Net sales less the cost of goods and services sold
Gross margin	Gross profit in relation to net sales
Equity per share	Equity at end of period attributable to owners of the parent divided by number of shares at end of period
Net margin	Net profit for the period in relation to net sales
Earnings per share, basic/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
Equity ratio	Equity as a percentage of total assets

The company presents certain financial measures that are not defined under IFRS. The company believes that these measures provide useful supplemental information to investors and the company's management since they *inter alia* permit evaluation of the company's performance. Because not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be considered a substitute for measures defined under IFRS.

Financial measures not defined under IFRS:

Net investments in intangible assets and property, plant and equipment	Investments in intangible assets and property, plant and equipment during the period less divested intangible assets and property, plant and equipment
Net debt	Interest-bearing liabilities less cash and cash equivalents
Operating profit, EBIT	Profit for the period before finance income, finance expense and tax
Operating profit, EBITDA	Profit for the period before finance income, finance expense, tax and depreciation, amortization and impairment of intangible assets and property, plant and equipment
EBIT margin	EBIT in relation to net sales
EBITDA margin	EBITDA in relation to net sales

Operational measures:

Percentage female	Average number of females 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
Total number of shares at the end of the period	Total number of ordinary shares and preference shares at the end of the period

Forthcoming reporting dates

Interim report, July 2015 – September 2016	15 November 2016
Year-end report, July 2015 – December 2016	17 February 2017
Interim report, January – March 2017	19 May 2017
Half-year report, January – June 2017	21 July 2017
Interim report, January – September 2017	7 November 2017

Outlook

CLX does not publish forecasts.

Risk assessment

CLX is, like all businesses, exposed to various types of risks in its operations. These include risks related to currency fluctuations, dependence on certain strategic partners, technological change, dependence on key personnel as well as tax risks and political risks related to the multinational nature of the Group's activities. Risk management is an integral part of CLX's management, and risks are described in more detail in the Annual Report 2014/15, Note 4. The risks described for the Group may also have an indirect impact on the parent company.

Forward-looking statements

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

Assurance

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

For additional information, please contact:

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Stockholm, 23 August 2016

Erik Fröberg
Chairman

Kjell Arvidsson

Charlotta Falvin

Jonas Fredriksson

Helena Nordman-Knutson

Johan Stuart

Johan Hedberg
President and CEO

Note: CLX Communications AB (publ) is required to publish the information in this interim report pursuant to the EU market abuse regulation. The information was submitted for publication on 23 August 2016 at 07.30.

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