CLX Communications AB
Annual Report

1 July 2014 – 30 June 2015

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CLX in brief

In only the last few years, mobile devices have changed human decision-making behavior and how enterprises interact with their customers. CLX services make it possible for enterprises worldwide to connect and communicate with their customers and employees by mobile phone.

We provide cloud communications services that allow enterprises to easily and cost-effectively integrate messaging (SMS), voice applications and mobile data services in their operations. Our customers do this to enhance customer relationships or streamline internal processes. Our communications services are used for critical information every second of the day, every day of the year, by enterprises including banks, airlines, healthcare providers and leading global internet operators.

The services CLX provides are used for various purposes: in healthcare to send appointment reminders via SMS, in the advertising market to provide anonymized virtual phone numbers and in the data communications market for connected home alarm systems.

Revenue	Growth in the past year	EBITDA
SEK 844m	39%	SEK 93m

Our market is undergoing a profound change

Enterprise communications that used to require heavy investments are now available in the cloud, which allows all enterprises to integrate SMS, voice and mobile data services in their operations. This is enabled by providing standardized web-based application programming interfaces (APIs) in the cloud. Enterprises can easily integrate their business systems with the interfaces to use mobile phone communications as an integrated component of their business processes.

CLX – Internet of Things (IoT)

CLX is currently developing mobile data connectivity services for the Internet of Things (IoT). Forecasts indicate that within a not too far distant future, there may be more things connected to the internet in mobile networks than mobile phones. CLX believes it has outstanding prospects for success in this market.

CLX does business in a global market, with more than 90% of sales outside Sweden. The company's largest markets are Europe and the United States, but CLX is also established in parts of Asia.

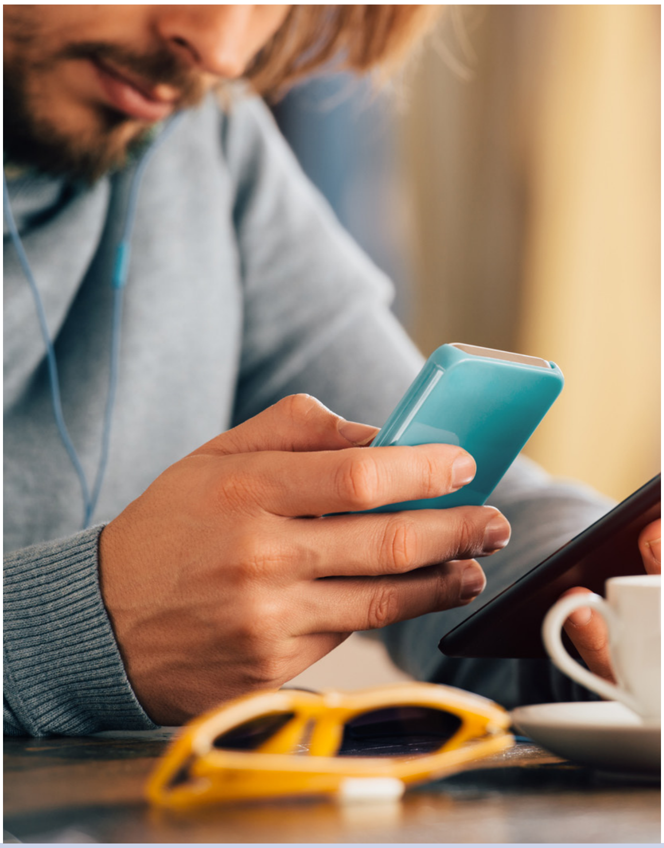
Two strong business units

CLX has two business units: the Enterprise Division and the Operator Division. Both divisions base their operations on the proprietary CLX communications platform, but their customer groups and business models diverge.

Together, the business units generate synergies that produce cost advantages that in turn deliver a strong market position.

The Enterprise Division sells cloud communications services to enterprises that use them to communicate with their customers and employees via mobile phone or connected things in mobile networks. The business model is transaction-driven and enterprise customers pay for the number of transactions they use.

CLX Communications' Operator Division sells a proprietary software platform to mobile operators. The Operator Division's business model has evolved from a conventional license and support model to a Managed Services and Platform-as-a-Service (PaaS) model. As a result, the share of recurring revenue is increasing.



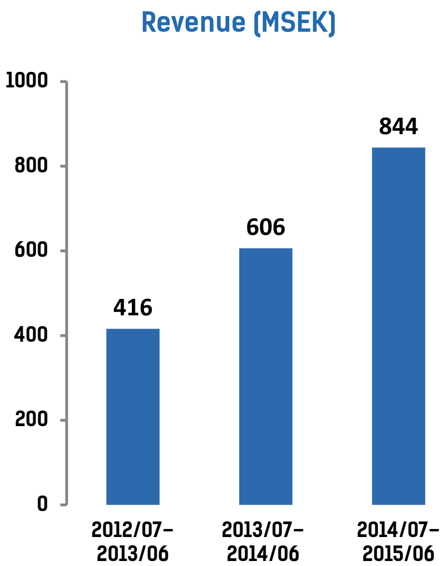
Sales outside Sweden
>90 %

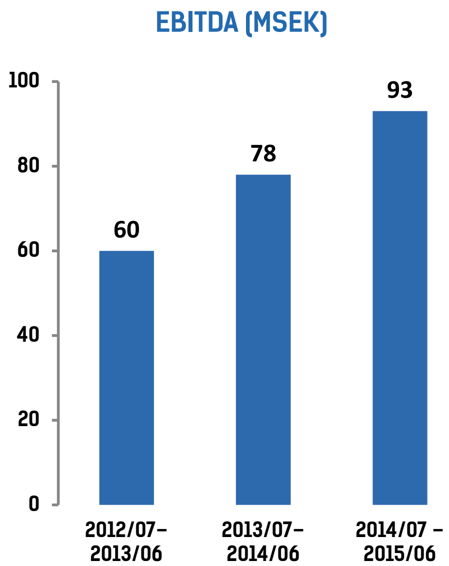
Global presence through
14 offices

Average number of employees
138

Growth with sustained profitability

CLX has experienced stable organic growth from the outset, turning a profit in the 2014/15 financial year on revenue of SEK 844 million. The company has made three acquisitions along the way.





Message from the CEO

2014/15 was an outstanding and eventful year for CLX in which we set new records for revenues and operating profit. Since it was founded in 2008, the company has delivered a high rate of organic growth, augmented by three key acquisitions: Symsoft in 2009, Voltari in 2014 and Caleo Technologies in 2015. CLX's business requires low capital tied-up and the company has been able to finance its rapid expansion with internal funds.

The swift evolution towards cloud communications solutions benefits an agile company like CLX. We took important steps during the year to launch new services in selected growth areas and to build a solid foundation for future growth.

Johan Hedberg
VD, CLX Communications

CLX Communications' Enterprise Division

We invested during the year in expanding our value proposition to the enterprise market and taking advantage of the business opportunities offered by the Internet of Things (IoT). We are convinced this market is going to see powerful growth in the next few years. CLX is uniquely positioned to benefit by virtue of our profound expertise, advanced communications platform and our existing operator and customer relationships. Investments in IoT can be made in a highly cost-effective manner. We believe the low communications cost per connected thing that we intend to offer and our extensive network of operator relationships will be major competitive factors for CLX in this market.

Our strategy of working closely with our vendors – the mobile operators – has been successful. CLX received several awards from mobile operators during the year. CLX was, for example, named a Platinum Partner by Vodafone UK, the highest level in their partner program. As well, the independent research firm ROCCO Research named CLX a global leader in A2P SMS Messaging services for enterprises last spring, based on interviews of 179 mobile operators.

"CLX was one of the Tier One providers in this year's A2P SMS Messaging Vendor Performance report, but as a leader in over half of the Leadership and Performance KPIs in the Research, they were also rated by Operators the highest overall vendor."

Jason Bryan, CEO of ROCCO Research

The feedback in this year's customer survey was also very favorable. Our customers consider us a reliable partner and describe the relationship with CLX as long-term and strategic. They are also pleased that we are continuing to expand the product portfolio and our global network of operator relationships.

"Our relationship with CLX continues to grow from strength to strength and we are pleased to recognise their consistent service with a Gold Standard award."

Jason Ree, Director of New Business, EE (Storbrittanien)

The Enterprise Division expanded organically into several new markets. We successfully launched our operations in France in May 2015, which after only one year of investment are already making a positive contribution to the business. As I write this (August 2015), Turkey is in the starting position for local launches.

Our venture in North America is progressing well and we are starting to see the results of the integration of the acquisition of Voltari, which was completed in August 2014. This acquisition gives CLX direct contracts with most North American mobile operators, including AT&T and Verizon, and has improved our market position in the United States and Canada. Many of our North American customers already use CLX cloud communications services for international traffic. We can now also offer new and existing customers a competitive national solution.

Revenue growth outstripped profit growth during the year due to the launch of new services, geographical expansion and non-recurring costs for the integration of the Voltari acquisition. The Enterprise Division has prioritized growth towards the objective of becoming a major global player in this rapidly growing market and achieving long-term scalability advantages.

CLX Communications’ Operator Division

CLX Communications’ Operator Division sells a proprietary software platform to mobile operators. The Operator Division’s business model has evolved from a conventional license and support model to a Managed Services and Platform-as-a-Service (PaaS) model. As a result, the share of recurring revenue is increasing.

After a year in which profitability was the main focus of the Operator Division, we commenced a program during the year to resume generating growth. New investments were made primarily in three areas:

1. Business support systems for mobile operators: The CLX product portfolio was augmented through the acquisition of Caleo Technologies. We now have the capacity to offer our customers total business support solutions, which we believe will become increasingly important in the next few years.

2. Security solutions: The need for mobile operators to protect their networks from various forms of hacking has increased. CLX has developed a number of solutions to address this market. These solutions have also proved effective door-openers to acquire new customers.

3. Virtual operators: The Operator Division is a leading provider of communications services to virtual operators. IoT vendors also have the same need for technical platforms to manage their connected things. In addition to taking market shares in the growing virtual network operator market, we consider IoT a new and exciting application for our platform solutions. We believe CLX will be competitive in this segment and that the conditions exist for rapid growth in the next few years.

Our proprietary software is the engine of both CLX divisions. New investments in our communications platform are being used by both the Enterprise and Operator Divisions. The capacity to use a shared technical platform gives CLX synergy effects and cost advantages that are difficult for the competition to replicate. Beyond technical synergies, we also benefit from market synergies between the divisions. This is the foundation of one of our company values – Be Cost-Conscious.

The road ahead

Our financial year was eventful for the company. We achieved all of our financial targets. Operating revenues for the year significantly exceeded our growth target, driven primarily by A2P Messaging, the core business in the Enterprise Division. We are seeing sustained growth in this market and CLX is still taking market shares. We will continue to evaluate complementary acquisitions to support selected growth areas or strengthen our geographical presence and our core business.

Our strong financial position allows us to invest in our core business and execute our growth strategy while delivering returns to shareholders. The combination of a high growth rate in our core business along with new and promising areas for growth, especially in IoT, is a strong foundation for CLX’s continued progress.

Johan Hedberg
Chief Executive Officer

SMS keeps vital communications going when natural disaster strikes

A powerful earthquake devastated Nepal in April 2015. Thousands were killed and many thousands more were injured. The earthquake also caused massive material destruction. When natural disasters have damaged the communications infrastructure, it has often been possible for people to maintain vital communications via SMS. On a number of occasions, CLS has assisted humanitarian aid organizations with SMS-based communications solutions. In Nepal, CLX set up an SMS-based communications solution to help people reestablish contact with family and close friends.

Market, business model and financial position

Market

CLX does business in the market for cloud communications platforms.

There has been a strong shift towards selling software to enterprises under Software-as-a-Service (SaaS) models, instead of licenses. The transition is being driven by multiple factors including low start-up costs, pay-per-use business models, scalability and continuous updates that allow enterprises to adapt faster to market changes and enhance efficiency.

Under current conditions, it is likely the same shift will occur in enterprise communications. Conventional solutions often entail high start-up costs for hardware and long, costly contracts with operators. These solutions also require specialist expertise that is rarely available within the enterprise. The scalability of such solutions may also be limited with respect to both capacity and international reach.

Cloud communications platforms solve many of these problems.

- Low or zero start-up fees
- Pay-as-you-go model in which customers pay for the communication they use in real-time
- Standardized application programming interfaces (API) for integration with the cloud communications platform enable agile development methods (iterative development models)
- Simplification of the value chain, since only one contract and one business relationship is necessary to craft a communications solution.

By lowering the barriers, cloud communications platforms offer an entirely new customer group access to communications solutions. Conventional communications solutions are also being replaced with cloud-based solutions at an accelerating rate.

Business model

CLX runs its business through two complementary divisions: the Enterprise Division and the Operator Division. CLX Communications' Enterprise Division provides cloud communications services and mobile connectivity services for communication to enterprises, including A2P Messaging, voice applications and mobile connectivity for IoT. Services provided by the Enterprise Division are used by customers through an internet connection to CLX's APIs. The enterprises pay for these services according to a "Pay-as-you-go" model (per SMS or per voice minute and, after CLX's launch of mobile IoT connectivity services, per megabyte of data). By this means, CLX generates revenue with every transaction.

CLX Communications' Operator Division offers mobile operators and mobile virtual network operators (MVNOs) its proprietary software platform, provided to customers in the conventional manner for installation and integration in their networks. Customers generally pay a license fee for the software in addition to CLX's costs for platform installation and integration. The customer's own operating organization manages platform operation, but support for any problems is provided by CLX, for which the division earns recurring support revenues. As the CLX customer base has grown, recurring support revenues within the Operator Division have also increased.

Interest in buying CLX software as a service has increased in recent years. In response, CLX has gradually developed a PaaS package over the last couple of years. CLX absorbs the investment in hardware and any third-party products and licenses (which the customer otherwise normally pays for) and thereafter manages ongoing system operation and support. In this case, the revenue model generally becomes compensation for system establishment and integration with the customer's network. Thereafter, the customer pays for operation of the solution, which then also includes compensation for the software. In general, the PaaS model generates lower initial revenues than traditional deliverables for installation in the customer's network, but ongoing revenues are higher over time. The Operator Division's revenue stream has gradually changed in recent years from a non-recurring nature to an increasing share of recurring revenues derived from support and PaaS.

Financial targets

- Growth: CLX's target is to achieve annual organic revenue growth of at least 20% over the medium to long term.
- Profitability: CLX's target is an EBIT margin around 10%.
- Capital structure: CLX's capital structure should enable a high degree of financial flexibility and enable acquisitions. CLX's target is maximum net debt of 2 x EBITDA for the preceding 12 months.
- Dividend policy: CLX's target is to distribute at least 30% of annual profits. The board will consider CLX's financial position, cash flow, acquisition opportunities and outlook prior to proposing any distribution of dividends.

Financial key figures

Financial years ending 30 June 2015, 2014 and 2013

MSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Revenue	844	606	479[1]
Gross profit	252	233	226
Gross margin	30%	38%	47%
EBITDA	93	78	64[2]
EBITDA margin	11%	12%	13%[3]
Operating profit (EBIT)	89	76	63
Operating margin	11%	13%	13%
Profit after tax	53	33	17
Earnings per share (SEK), diluted[4]	53,08	33,32	17,23
Cash flow for the period	95	-5	47
Net debt	10	246	278
Net debt/EBITDA	0,1	3,2	4,3

Revenue

Revenue rose by 39% to SEK 844 million (606). The Enterprise Division delivered revenue growth of 49% to SEK 712 million (477) as a result of significant growth in traffic volumes for existing enterprise customers and traffic volumes generated by new customers. The Operator Division is reporting a 2% increase in revenue to SEK 155 million (151), primarily due to growth in the customer base.

Gross profit and gross margin

Gross profit increased by 8% to SEK 252 million (233), driven by sales growth. The gross margin for the period declined to 30% during the 2014/15 financial year from 38% in 2013/14, consequent upon strong growth in the Enterprise Division where the gross margin is lower than in the Operator Division.

Operating profit and operating margin

Operating profit increased by 16% to SEK 289 million (76), driven by sales growth. The operating margin for the period declined to 11% during the 2014/15 financial year from 13% in 2013/14.

Profit after tax and basic earnings per share (SEK)

Profit for the year rose by 59% to SEK 53 million (33) during the 2014/15 financial year. Basic earnings per share amounted to SEK 53.20 (33.32).

[1] 12 months: SEK 416m
[2] 12 months: SEK 60m
[3] 12 months: 14%
[4] Based on the weighted average number of common shares outstanding after dilution, which was 1,001,111 at the end of the 2014/2015 financial year and 1,000,000 shares at the end of the 2013/2014 and 2012/2013 financial years.

Financial position

MSEK	30 June 2015	30 June 2014	30 June 2013
Non-current assets			
Intangible assets	66	55	50
Tangible assets	5	2	2
Financial assets	2	0	0
Financial assets	0	4	1
Financial assets	**73**	**61**	**53**
Current assets			
Current assets	190	192	167
Cash and cash equivalents	71	56	61
Total current assets	**261**	**248**	**228**
Total assets	**334**	**309**	**281**
Equity and liabilities			
Equity	41	-128	-162
Non-current liabilities	94	309	346
Current liabilities	199	128	97
Total equity and liabilities	**334**	**309**	**281**

The financial position was strengthened during the year through a new issue in which the principal owner, CLX Networks Holding AB, subscribed for 81,081 preference shares, paid for by offsetting CLX Networks Holding AB's claim against CLX Communications AB.

Net debt

MSEK	30 June 2015	30 June 2014	30 June 2013
Financial liabilities			
Non-current interest-bearing liabilities	81	302	339
Current interest-bearing liabilities	0	0	0
Total financial liabilities	**81**	**302**	**339**
Financial assets			
Cash and cash equivalents	71	56	61
Total financial assets	**71**	**56**	**61**
Net debt	**10**	**246**	**278**

Net debt

CLX's net debt comprises non-current and current interest-bearing liabilities that have been reduced with cash and cash equivalents. As of 30 June 2015, net debt amounted to SEK 10 million (246).

Net debt/EBITDA

CLX's net debt/EBITDA ratio was 0.1 at 30 June 2015 (3.1).

Cash and cash equivalents

Total cash and cash equivalents at 30 June 2015 amounted to SEK 71 million (56).

Cash flow

MSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Cash flow from operating activities	95	-5	47
Cash flow from investing activities	-10	13	14
Cash flow from financing activities	-70	-13	0
Cash flow for the year	**15**	**-5**	**61**
Cash and cash equivalents at the beginning of the year	56	61	0
Exchange differences in cash and cash equivalents	0	0	0
Cash and cash equivalents at the end of the year	71	56	61

Cash flow from operating activities

Cash flow from operating activities increased by SEK 100 million in 2014/15 to SEK 95 million (-5). The increase was mainly the result of favorable changes in working capital, primarily an increase in operating liabilities.

Cash flow from investing activities

Cash flow from investing activities decreased by SEK 23 million in 2014/15 to SEK -10 million (13). The decrease was primarily the result of repayment of a loan to the parent company of SEK 20 million in the preceding financial year.

Cash flow from financing activities

Cash flow from financing activities decreased by SEK 57 million in 2014/15 to SEK -70 million (-13). The decrease was primarily the result of a major repayment of a loan to CLX's owners. The decrease was mitigated by a capital injection from owners and new loans from credit institutions.

Cash flow for the year

Cash flow for the year increased by SEK 20 million in 2014/15 to SEK 15 million (-5).

Working capital

MSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Working capital	62	120	131
Working capital/revenue (%)	7	20	27

Division overview

CLX Communications' operations are divided into two business divisions: the Enterprise Division and the Operator Division. The Enterprise Division provides cloud communications services, while the Operator Division provides the Group's software platform and platform-related services to mobile operators and MVNOs.

There are major synergy effects between the two divisions:

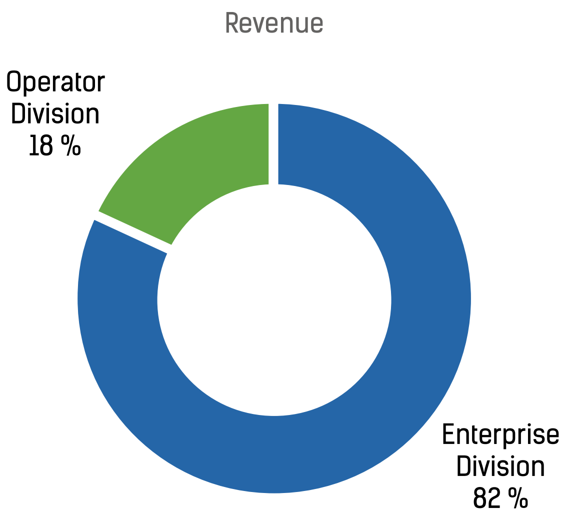
- The Enterprise Division uses the software platform offered by the Operator Division to provide communications services to enterprises. This generates substantial scale advantages in research and development, support and operations otherwise.

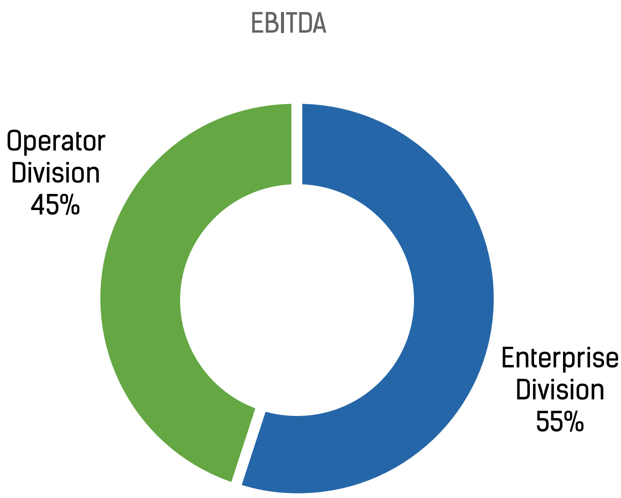
- The Operator Division has about 70 mobile operator customers, who use the software platform in their operations. This makes it easier for the Enterprise Division to establish relationships with mobile operators to procure capacity for enterprise communications solutions. These relationships are critically important to building a high-quality portfolio of cloud communications services aimed at enterprises.

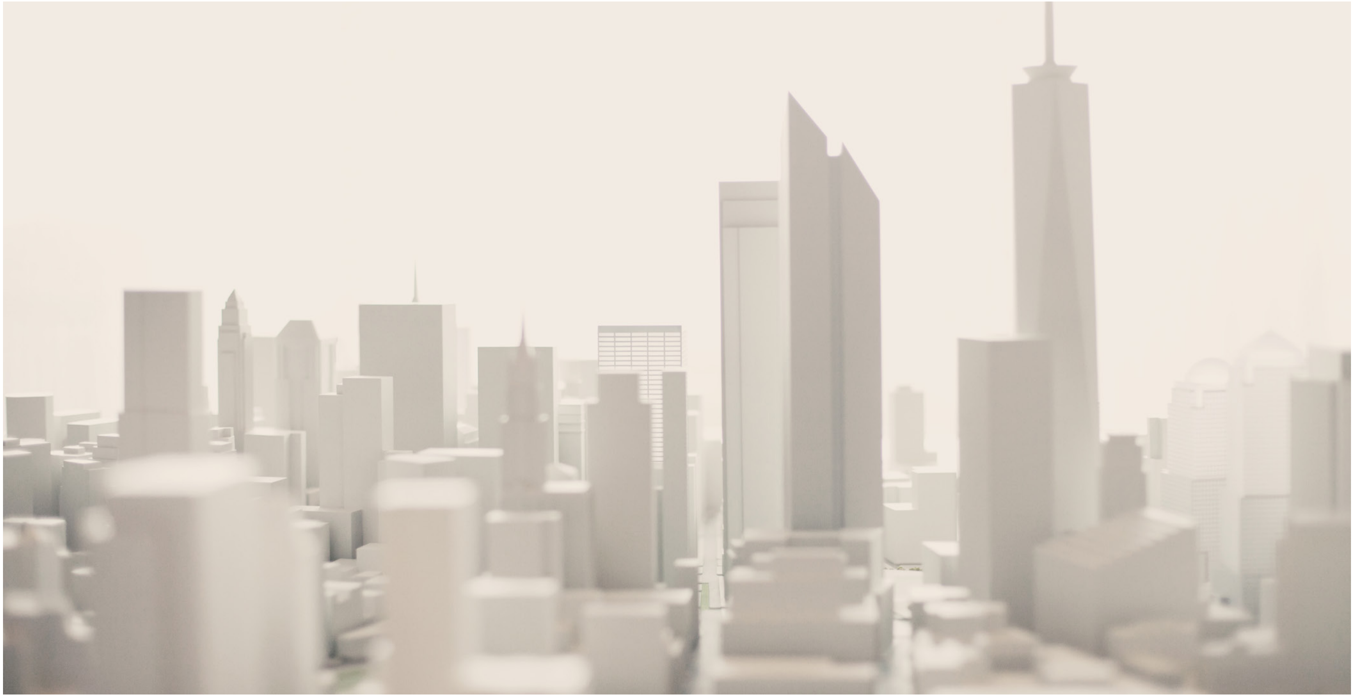
Revenue	2014/15 (12 months)	2013/14 (12 months)	2012/13 (12 months)
Enterprise Division	712	477	287
Operator Division	155	151	145
Corporate and eliminations	-23	-22	-16
Group	**844**	**606**	**416**

Gross profit	2014/15 (12 months)	2013/14 (12 months)	2012/13 (12 months)
Enterprise Division	133	120	81
Operator Division	138	131	127
Corporate and eliminations	-19	-18	-15
Group	**252**	**233**	**193**

EBITDA	2014/15 (12 months)	2013/14 (12 months)	2012/13 (12 months)
Enterprise Division	54	55	43
Operator Division	45	23	18
Corporate and eliminations	-6	0	0
Group	**93**	**78**	**60**







Enterprise Division

Introduction

The Enterprise Division provides cloud communications services. Our customers connect their applications and systems to the CLX communications platform to power global communication with their customers, employees and connected things. This is possible through providing standardized Application Programming Interfaces (API). Enterprises can easily integrate their business systems with the interface to utilize communication to mobile phones as a component of their business processes. In contrast to vendors of conventional enterprise communications services, CLX offers several advantages:

- CLX has a scalable and global communications network that offers a cost-effective, high-quality way for enterprises to reach mobile phones and connected things.
- No expertise in telecoms or other specialist areas is required to use CLX cloud services. The APIs for integrating with CLX are based on standardized, web-based protocols. This gives our customers the power to rapidly launch and improve their services.
- Customers pay only for the capacity they use in a pay-as-you-go model.
- The security level is high in order to meet the stringent requirements of banks, for example.

The service portfolio

- **A2P Messaging:** A2P Messaging makes it possible for enterprises to automatically send personalized text messages to mobile subscribers and connected things all over the world (Outbound SMS). CLX also provides an interactive service with virtual phone numbers in more than 40 countries, which allows enterprises to receive SMS text messages and, in certain cases, voice calls, on the same number (Inbound SMS).
- **Voice Applications:** Voice Applications services include Outbound Voice and Inbound Voice, through which enterprises can automatically terminate phone calls to landline and mobile numbers worldwide.
- **Mobile Data Services for IoT Connectivity:** IoT Connectivity is a service in the advanced development stage, for which customer tests are planned in late 2015. CLX anticipates commercial launch in 2016. CLX's mobile connectivity solutions will provide enterprises an intelligent way to manage connected things. With its embedded SIM solution, the service will allow customers to switch operators without having to replace SIM cards. Examples of these things are connected vehicles, electricity and water meters, traffic lights and building sensors.

In order to offer communications services to its customers, CLX has linked its communications platform to mobile operators worldwide. CLX intends to establish agreements and direct connections with all major mobile operators in the world. Towards that end, several employees are dedicated exclusively to developing and closing agreements with mobile operators.

Customer base and sales

The Enterprise Division focuses on enterprises all over the world, in all sectors, that generate large traffic volumes. The Enterprise Division's customer base has grown rapidly and now comprises more than 550 enterprise customers, including several market-leading enterprises in many sectors such as banking, technology and transport/logistics. Our customers include global corporations like Microsoft and Air Canada, as well as rapidly growing tech companies like Truecaller and Boku.

The Enterprise Division has a global sales organization for direct sales. There is also a partner program that expands the reach of the company's sales and marketing.

Market

The market for enterprise cloud communications services is driven primarily by three key factors:

1. The increasing number of smartphones and increasing mobile data traffic
2. The move of business critical services to the cloud
3. Development of existing and new applications in enterprise cloud communications services

The market for A2P messaging is a well-established global market, forecast in 2014 by IDC to generate revenues of about USD 23.4 billion. The market for voice applications via cloud communications platforms is a new but rapidly growing market that IDC forecast in 2014 would amount to USD 100 million. There is no estimate available for mobile IoT connectivity, but CLX has assessed the market potential as substantial.

Revenue

Revenue increased by 49% in 2014/15 to SEK 712 million (477). Revenue growth was driven by a significant increase in traffic volumes among existing enterprise customers accompanied by traffic volumes from new customers. The increase in traffic volume generated by existing customers was due to general growth in the market for enterprise cloud communications and the successful launch and added sales of new services. In addition, CLX is continuing to win market shares.

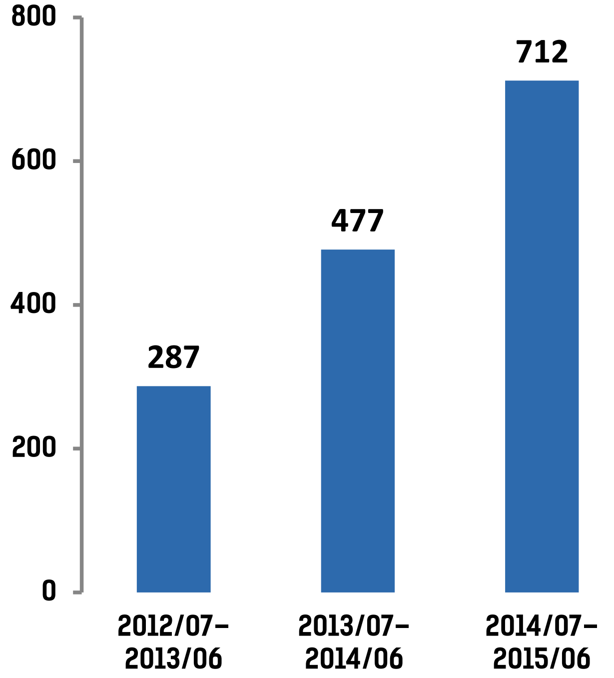
Gross profit and gross margin

Gross profit in the Enterprise Division increased by 11% in 2014/15 to SEK 133 million (120). The increase is attributable to sales growth. The gross margin declined to 19% during the period (25%) consequent upon high growth in traffic in markets where gross margins are lower.

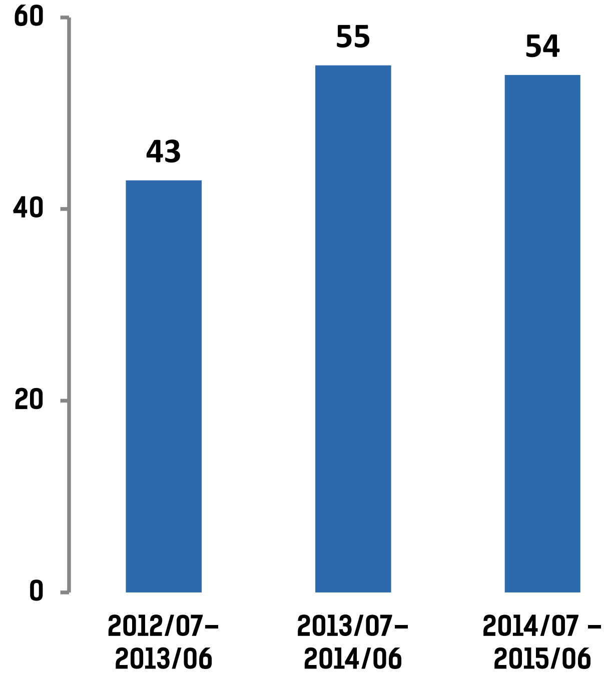
EBITDA and EBITDA margin

Operating profit (earnings before interest, taxes, depreciation and amortization, (EBITDA) in the Enterprise Division declined by 1% in 2014/15 to SEK 54 million (55). The decline is mainly attributable to higher operating costs in the division. The cost increase is primarily related to the expanded sales organization.

Revenue, Enterprise Division



EBITDA, Enterprise Division



Operator Division

Introduction

CLX Communications' Operator Division provides the Group's software platform and platform-related services to mobile operators and mobile virtual network operators (MVNOs). Software is sold to mobile operators under the Symsoft brand.

The key components and functions of the software platform can be divided into the following categories:

- **Business support system:** A system for business support and customer management that provides mobile operators with a wide array of components and the options they need to manage customer service, billing and promotional campaigns, as well as information that provides insight into subscriber behavior.
- **Value added services:** CLX offers an integrated solution for several added value services based on its software platform. All messaging services, including SMS, MMS and Voice Mailbox, as well as a wide spectrum of call termination services such as Call Me, Callback Roaming, Collect Call, Missed Call Alerts and Interactive Voice Response are supported.
- **Security solutions:** CLX's Security Solutions ensure service availability, protect the end consumer's privacy and user experience and assures revenue streams and regulatory compliance for mobile operators.
- **MVNO solutions:** Software components of the CLX communications platform can be offered together as a complete and integrated solution. This enables a complete service portfolio with the functions that MVNOs and small mobile operators need to run their businesses.

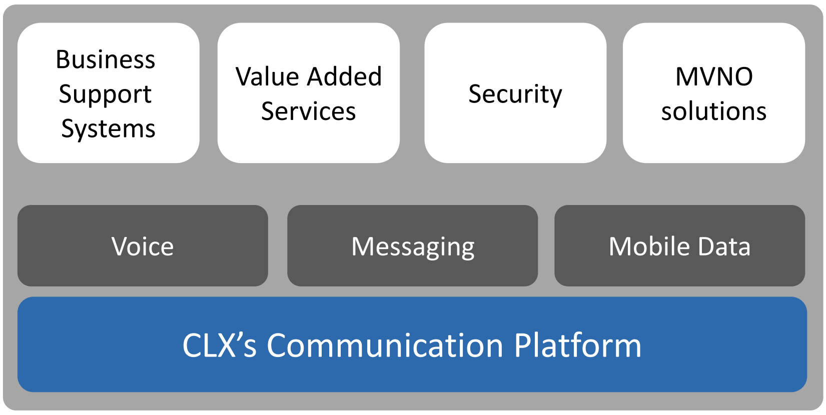
At present, the most common business model for the Operator Division is a conventional software license and support model. To an increasing extent, the Operator Division also offers its communications platform as Platform-as-a-Service. PaaS means that the platform is operated by CLX and can be used by multiple customers, which allows CLX to offer a cost-effective solution to the market.

Customer base and sales

The software platform is currently being used by more than 70 mobile operators in their respective operations, which have more than 175 million mobile subscribers combined. Examples of the Operator Division's customers include major mobile operators such as TeliaSonera, Vodafone, Telefónica, America Móvil, Millicom, Tele2 and Tre.

CLX has traditionally focused on delivering to established mobile operators that thoroughly understand telecommunications. CLX is now augmenting its product and service portfolio to better meet the needs of new market entrants and MVNOs. These enterprises need a broad and integrated solution that delivers a service including all the key functions required to run the business. Virgin Mobile is an example of a customer in this segment.

The CLX Operator Division has an international sales organization with vast industry, telecommunications and internet experience. Most customers are reached directly by the CLX sales team, but increasingly via indirect sales channels as well.



Market

The market for software and services to mobile operators is mature and well-developed. The market has been affected by important trends in recent years:

- Operators are consolidating the number of software vendors they use in order to improve efficiency
- An increase in the number of MVNOs and new market entrants
- Increasingly sharper focus on security.

The market for software vendors to mobile operators is highly fragmented. CLX's competitors in this market include a long list of companies from small, niched service vendors to large corporations like Ericsson and Huawei.

Revenue

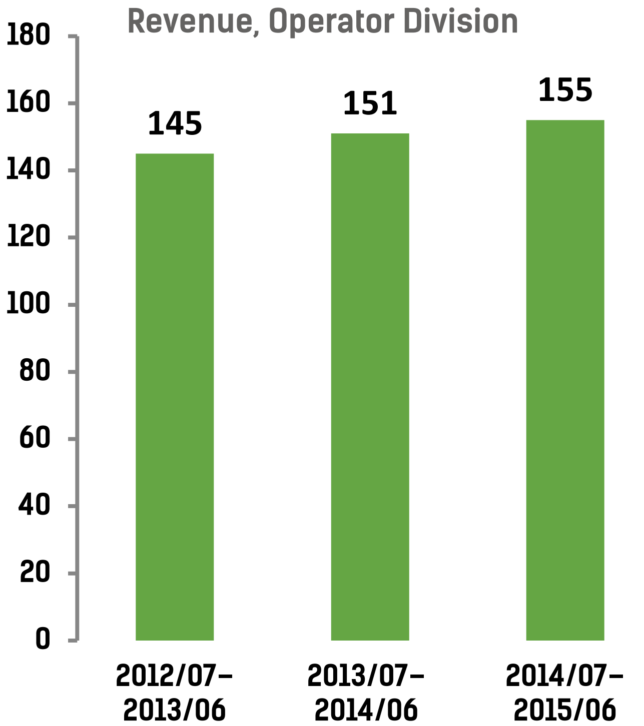
Revenue increased by 2% in 2014/15 to SEK 155 million (151). The increase is primarily attributable to an increase in the customer base.

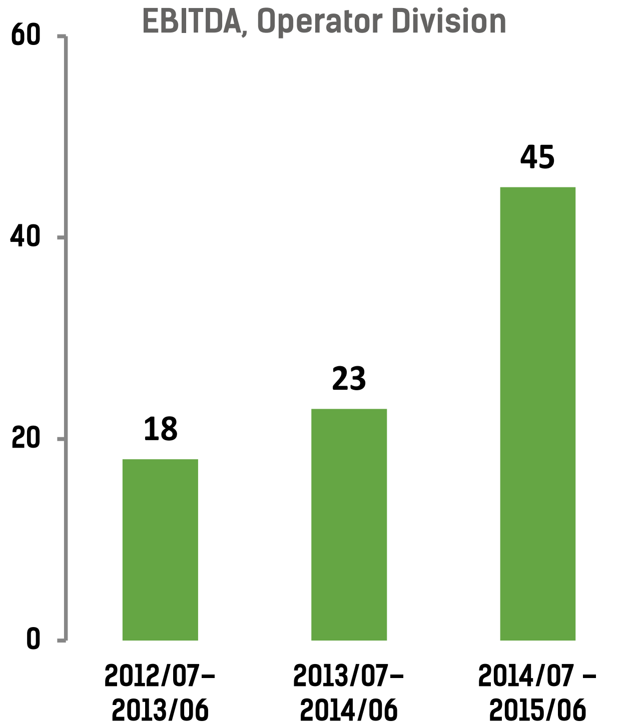
Gross profit and gross margin

Gross profit in the Operator Division increased by 5% in 2014/15 to SEK 138 million (131). The increase was driven by sales growth and the improved gross margin, which rose to 89% during the period (87%).

EBITDA and EBITDA margin

Operating profit before interest, taxes, depreciation and amortization (EBITDA) in the Operator Division increased by 93% to SEK 45 million (23) in 2014/15. The increase is primarily due to the efforts in recent years to grow recurring revenue, which have begun to show up in a higher operating margin, but also to several new customers and maintained cost efficiency in operations. The EBITDA result for the Division was also bolstered by about SEK 10 million as a result of a reversal of a written-down trade receivable charged against the company's EBITDA in a corresponding amount in the preceding financial year. The EBITDA margin increased to 29% during the period (15%).





Company culture

The people of CLX and the company culture are critical prerequisites for the company's success. CLX has employees in five parts of the world and a highly diverse workforce. The company works with partners and customers all over the world. International understanding, transparency and respect are the foundation upon which a strong company culture is built.

CLX values deep expertise and the company is happy to share its knowledge and expertise both internally, peer-to-peer, and externally with our customers and partners. Working together fosters creativity and leads to reciprocal inspiration, which generates new business opportunities.

The company applies a rigorous recruitment process and uses both its own networks and external experts to attract talents. CLX selects employees with care. 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 grow within the company.

CLX has employees in five parts of the world and a highly diverse workforce. 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 employees in growth segments of the business.

CLX company values

1. Be the Trusted Partner - Provide solutions proactively, always exceed customer expectations.

2. It's One Global Network - Think big and act local. We are part of a global ecosystem.

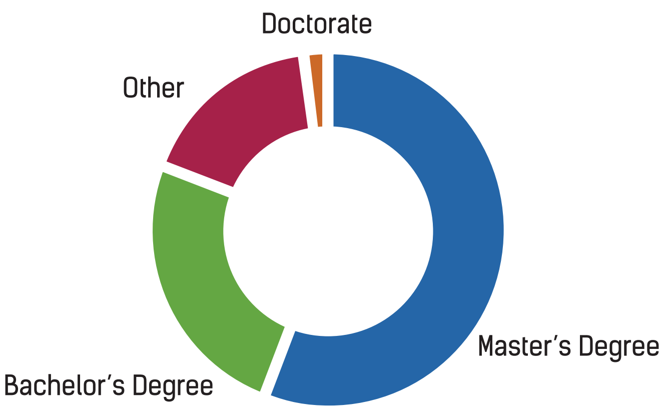
3. Embrace and Drive Change - Be agile, flexible and act fast. Think ahead and drive change.

4. Listen and Learn - Be open, humble and learn to continuously improve. Kaizen!

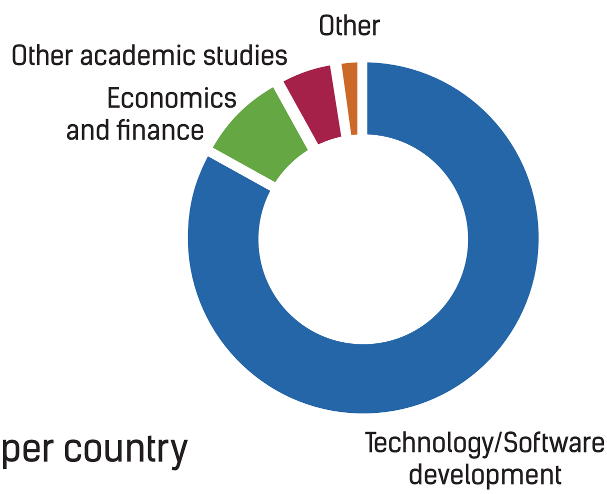
5. Be Cost-Conscious - Be smart, act smart. Drive value creation with a culture of frugality.

6. Empower Others - Share knowledge and give guidance to feed creativity. We grow and succeed together.

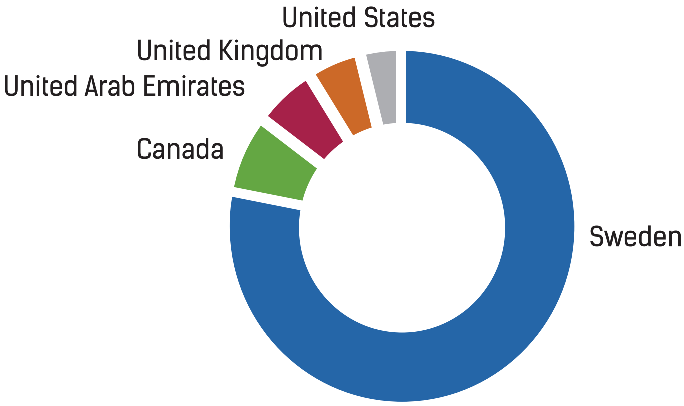
HIghest level of education



Education



Employees per country



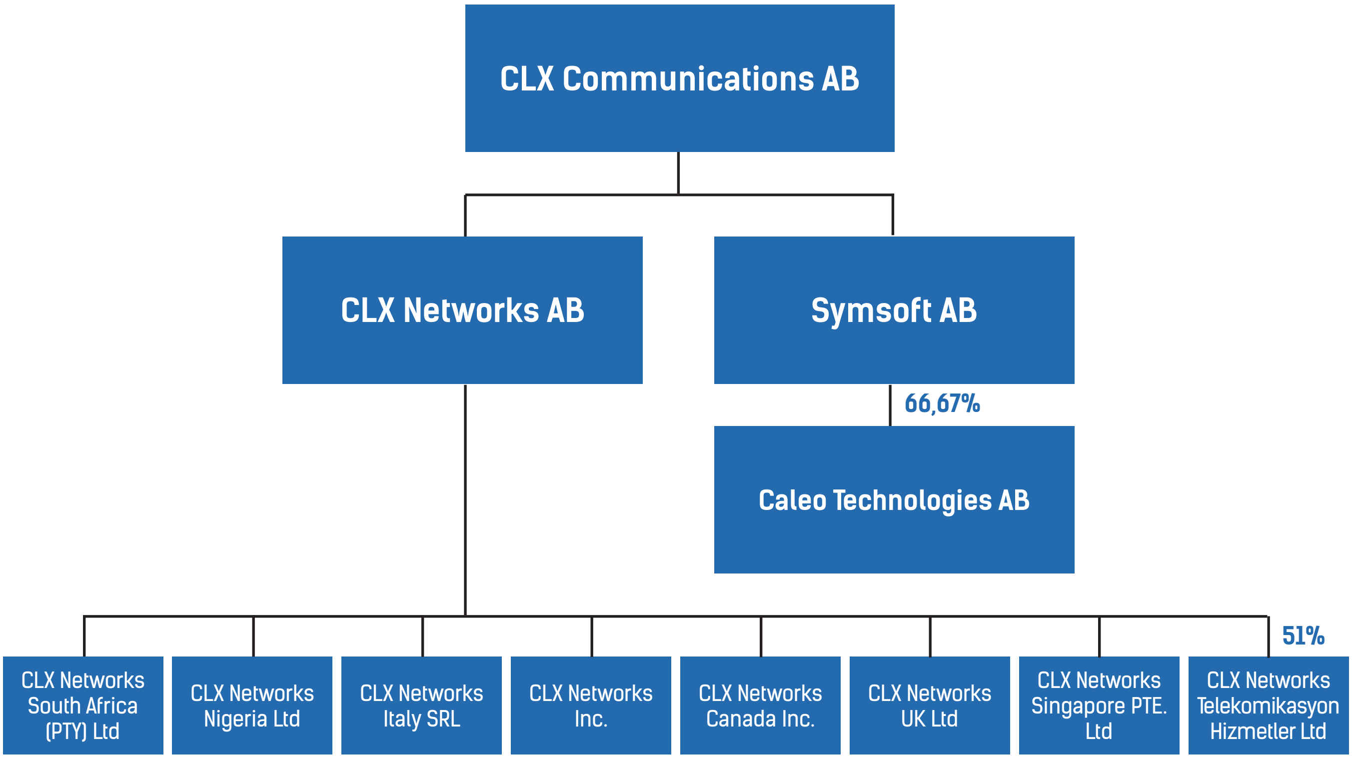
CLX Communications' organizational structure

CLX works through two business units: The Enterprise Division and the Operator Division, which are supported by corporate functions including the Finance Department and associated Human Resource Department and the Corporate Development Department and associated Marketing Department.

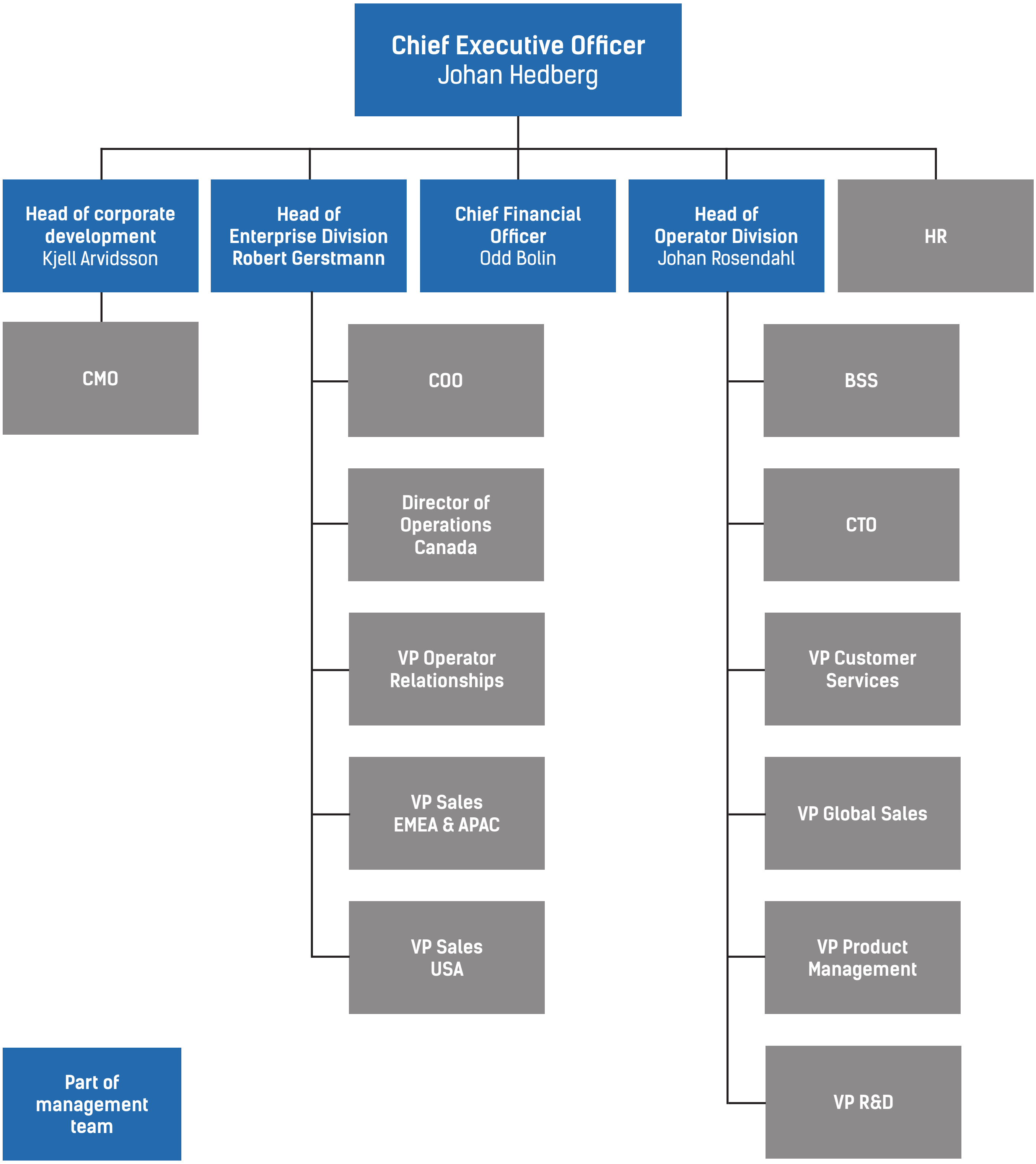
Executive management comprises the Chief Executive Officer, Chief Financial Officer and Vice CEO, Head of Corporate Development, the Head of the Enterprise Division and the Head of the Operator Division.

The chart below illustrates CLX's Group and organizational structure.

Legal structure



Organisationsstruktur



Ledning

Namn	Befattning	Anställd sedan	Bakgrund
Johan Hedberg	Chief Executive Officer	2008	More than 15 years of industry experience, including positions with Ericsson and mBlox Education: MSc in Engineering, Royal Institute of Technology, KTH, Stockholm
Kjell Arvidsson	Head of Corporate Development	2008	More than 25 years of industry experience, including positions with Ericsson and TeliaSonera Education: IHM Business School Diploma in Business Administration and studies in business administration at Uppsala University and Stockholm University.
Odd Bolin	Chief Financial Officer	2015	Several years' experience as CFO for G5 Entertainment and Cybercom Education: MSc and PhD in plasma physics, Royal Institute of Technology, KTH, Stockholm
Robert Gerstmann	Head of Enterprise Division	2008	More than 15 years of industry experience, including positions with mBlox and Netgiro/Digital River Education: MSc in engineering, Linköping University Institute of Technology
Johan Rosendahl	Head of Operator Division	2015	More than 20 years of industry experience, including positions with Netsize Internet Payment Exchange Education: MBA, Linköping University

The share

As of 30 June 2015, CLX Communications AB had share capital of SEK 54,054.05 divided among 1,081,081 shares, each with a quotient value of SEK 0.05. CLX Communications AB's share capital is comprised of 1,000,000 common shares and 81,081 preference shares. Each share confers equal voting rights.

Largest shareholders as of 30 June 2015

Shareholder	No. of shares	Interest
CLX Networks Holdings AB	1 051 681	97,28%
Employees	29 400	2,72%
Total	**1 081 081**	**100,00%**

Management report

The Board of Directors and Chief Executive Officer of CLX Communications AB, company registration number 556882-8908 submit herewith the annual report and consolidated financial statements for the operations of the Group and the parent company for the financial year beginning 1 July 2014 and ending 30 June 2015. Unless otherwise noted, all figures in tables are stated in SEK thousands (kSEK). Terms such as "CLX," "the company," "the Group," and the like refer in all cases to the parent company, CLX Communications AB, and its subsidiaries.

CLX Communications AB was founded (under the name Seitse 1 Holding AB) on 1 February 2012 and thereafter decided to extend the first financial year to 30 June 2013. Consequently, the historical financial information for the financial year ending 30 June 2013 is not directly comparable to the revised historical financial information for the financial years ending 30 June 2015 and 30 June 2014. To enable comparison of the company's financial results for the financial year ending 30 June 2014, the company has prepared selected revised historical financial information for the segments for the twelve-month period ending 30 June 2013.

Business

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 things, swiftly, securely and cost-effectively. CLX Communications' solutions enable business-critical communication worldwide via mobile messaging services (SMS), voice services and IoT connectivity services.

Every year, products and services from CLX manage billions upon billions of messages, phone calls and data sessions all over the world. CLX makes it possible for enterprises to communicate with people and the Internet of Things (IoT).

The CLX Operator Division develops software solutions for mobile operators that make it possible for operators 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 mobile virtual network operators, which allows them to focus exclusively on their value propositions and customer relationships.

The CLX Enterprise Division provides enterprise cloud communications services. CLX's agreements with leading global mobile operators give enterprises access to nearly all of the seven and a half billion mobile phone users worldwide and a massive array of network-connected things.

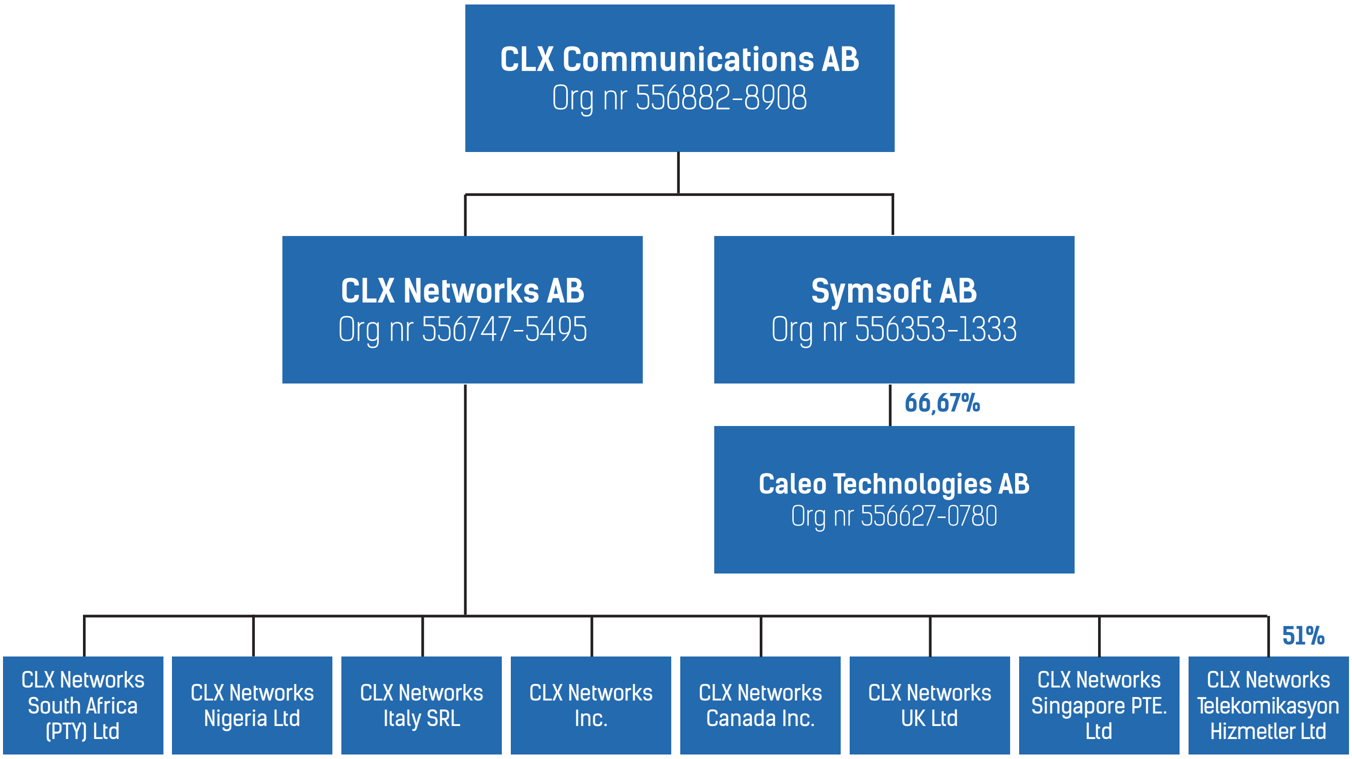
Accounting policies

This is CLX Communications AB's first consolidated annual report. The consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRSs) as adopted by the EU and interpretations from the IFRS Interpretations Committee (IFRIC). The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Groups.

Effective 1 July 2014, the parent company applies RFR2 Accounting for Legal Entities, and the Swedish Annual Accounts Act. Before that date, the parent company applied the general advice of the Swedish Accounting Standards Board BFNAR 2012:1 Annual Accounts and Consolidated Accounts ("K3") and the Annual Accounts Act Please refer to Note 1 for further information concerning the parent company.

Organization

CLX Communications AB, headquartered in Kista, Sweden, is the parent company of the CLX Group. The Group has subsidiaries in Sweden, the United States, Canada, the United Kingdom, Italy, Turkey, South Africa, Nigeria and Singapore. CLX Networks AB and Symsoft AB are the largest subsidiaries, which in turn own sub-subsidiaries. CLX Networks AB and its subsidiaries constitute the Group's Enterprise Division, while Symsoft and its subsidiaries comprise the Operator Division.



Activities in 2014/15

CLX launched a strategy during the year to participate in the rapidly growing mobile data market. These initiatives apply both to enterprise services and platforms for enterprises and mobile operators for the connected society (IoT, the “Internet of Things”). Launch of the service portfolio is expected in 2016.

During the year, the Enterprise Division started operations in France, a joint venture aimed at penetrating the Turkish market and a sales and marketing venture targeting selected markets in Latin America.

Two minor acquisitions of a strategic nature were carried out during the financial year. In fall 2014, CLX acquired the assets and liabilities of Voltari Inc. in the United States and Canada. Via this acquisition, CLX gained access to a skilled workforce, strategically important operator contracts in North America and an existing customer base. The acquisition also included software that is now being integrated with the Group’s value proposition to the enterprise sector.

A controlling interest was acquired in January in Caleo Technologies AB, Gothenburg, Sweden. Caleo Technologies AB delivers Business Support Systems (BSS) solutions to cable, mobile, fixed network and broadband operators. Through this acquisition, CLX can now offer total solutions in billing and charging. The acquisitions did not make significant contributions to sales growth during the period.

The company was restructured in March 2015, when a new management team was formed. Johan Hedberg, formerly head of the Enterprise Division, was appointed chief executive officer. Robert Gerstmann, previously head of sales for the division, was appointed the new head of the Enterprise Division. Following an external recruitment, Johan Rosendahl was appointed head of the Operator Division. Kjell Arvidsson, formerly head of the Enterprise Division, was appointed head of corporate development. Odd Bolin, also recruited externally, was appointed chief financial officer, effective 1 June.

Charlotta Falvin, Helena Nordman-Knutsson and Johan Stuart were elected as new directors by the extraordinary general meeting held 21 May. Erik Fröberg was elected chairman of the board. Jonas Fredriksson and Kjell Arvidsson were reelected as directors. At the same time, Robert Gerstmann, Kristian Männik, Henrik Sandell, Johan Hedberg and Björn Zethraeus left the board.

The extraordinary general meeting held 17 June voted in favor of a new issue in which the principal owner, CLX Networks Holding AB, subscribed for 81,081 preference shares, paid for by offsetting CLX Networks Holding AB’s claim of SEK 150,000,000 against CLX Communications AB. The new issue increased share capital by SEK 4,054.05 to a total of SEK 54,054.05.

Important events after the end of the financial year

After the reporting date, the company changed its name from Seitse 1 Holding AB to CLX Communications AB.

An extraordinary general meeting of shareholders in the company was held after the reporting date, on 31 August 2015. The meeting resolved in favor of a bonus issue that increased share capital by SEK 3,189,188.95 to SEK 3,243,243 and to execute a 1:30 stock split, which increased the number of shares in the company to 32,432,430, divided into 30,000,000 common shares and 2,432,430 preference shares.

No other significant events have occurred since the end of the financial year.

Revenue and profit

CLX Communications (MSEK)	1 Jul 2014– 30 Jun 2015	1 Jul 2013– 30 Jun 2014	Change	1 Feb 2012– 30 Jun 2013 (17 months)	Change
Revenue	844	606	39%	479	27%
Gross profit	252	233	8%	226	3%
Gross margin	*30%*	*38%*		*47%*	
EBITDA	93	78	19%	64	22%
Operating profit	89	76	16%	63	22%
Operating margin	*11%*	*13%*		*13%*	
Profit after tax	53	33	59%	17	93%
Net margin	*6%*	*5%*		*4%*	
Cash flows from operating activities	95	-5	n.a.	47	n.a.
Free cash flow	85	8	n.a.	61	n.a.
Total assets	334	309	8%	281	10%
Equity	41	-128	n.a.	-162	-21%
Net debt	10	246	-96%	278	-12%
Equity/assets ratio	*12%*	*-42%*		*-58%*	
Working capital	62	120	-48%	131	-9%
Return on working capital	*97%*	*61%*		*48%*	
Capital employed	122	173	-29%	177	-2%
Return on capital employed	*61%*	*44%*		*36%*	
Average number of shares outstanding (1,000)	1001	1000		1000	
Earnings per share, diluted, SEK	53,08	33,32	59%	17,23	93%
Equity per share, SEK	33,83	-128,35	-130%	-161,70	-21%
Average number of employees	138	126	10%	107	18%

Revenue

Consolidated revenue grew by 39% during the 2014/15 financial year to SEK 844 million (606 in 2012/13, 17 months: 479), year on year.

Growth during the year is primarily attributable to organic growth in the Enterprise Division. Underlying growth among our existing customers was strong and we have added new customers that have made a positive contribution.

Gross profit

Consolidated gross profit grew by 8% during the 2014/15 financial year to SEK 252 million (233 in 2012/13, 17 months: 226), year on year. The gross margin declined from 38% to 30% (2012/13, 17 months: 47%).

The development of gross profit during the year is due to the company's focus in certain markets primarily on growth and taking market shares. The company is prioritizing growth to achieve global scale advantages on the customer and product sides in order to optimize the gross margin in the future.

The consolidated gross margin is also affected by faster growth and lower gross margin in the Enterprise Division compared with the Operator Division.

Operating profit

Consolidated operating profit before interest, taxes, depreciation and amortization (EBITDA) grew by 19% during the 2014/15 financial year to SEK 93 million (78 in 2012/13, 17 months: 64), compared with the corresponding period in the preceding year.

Consolidated operating profit grew by 16% during the 2014/15 financial year to SEK 89 million (76 in 2012/13, 17 months: 63), compared with the corresponding period in the preceding year.

Profit for the year

Profit for the year rose by 59% during the 2014/15 financial year to SEK 53 million (33 in 2012/13, 17 months: 17) compared with the corresponding period in the preceding year. The growth was the result of factors including revaluation of current assets in foreign currency and lower financial expenses. During the year, the Group renegotiated and paid down loans by approximately SEK 220 million, which had positive impact on net financial items.

Enterprise Division

Enterprise Division (MSEK)	1 Jul 2014– 30 Jun 20150	1 Jul 2013– 30 Jun 2014	Change	1 Jul 2012– 30 Jun 2013	Change
Revenue	712	477	49%	287	66%
Gross profit	133	120	11%	81	48%
Gross margin	*19%*	*25%*		*28%*	
EBITDA	54	55	-1%	43	29%
EBITDA margin	*8%*	*12%*		*15%*	

Revenue

The Enterprise Division has delivered sustained good performance during the year and is experiencing powerful growth. Revenue increased by 49% to SEK 712 million (477 in 2012/13, 12 months: 287), year on year.

The growth is due mainly to organic growth, primarily driven by the following factors:

- Our existing customers are expanding their business with us.
- CLX has expanded geographically and has established new sales channels.
- CLX is launching new services aimed at new and existing customers.
- CLX’s reseller strategy has matured during the year and a number of tools are now available to support a channel strategy. During the year we commenced active recruitment of resellers and two significant partners began as resellers of CLX services.

Profit trend

Gross profit increased by 11% during the year to SEK 133 million (120 in 2012/13, 12 months: 81), year on year. The gross margin declined to 19% (25% in 2012/13, 12 months: 28%). The decline is due in part to the focus on increasing market shares in new markets, higher costs generated through investments in new products (voice and data) and a slightly unfavorable currency mix with higher purchasing costs in GBP and USD.

EBITDA declined to SEK 54 million (55 in 2012/13, 12 months: 43) during the year, year on year. The EBITDA margin declined to 8% (12% in 2012/13, 12 months, 15 months: 15%).

Important events

The integration of Voltari was completed during the year, which provided direct links to several major American operators, including Verizon and AT&T. Expansion in the North American market is a prioritized area for CLX moving forward. We regard this as an area of substantial potential, as there are already many customers in North America that use CLX for international traffic. The goal is for these customers to also begin using CLX solutions for North American traffic.

The integration of several new French operators was also completed during the year, which is expected to make a positive contribution to the business going forward.

Operatörsdivisionen

Operator Division (MSEK)	1 Jul 2014– 30 Jun 20150	1 Jul 2013– 30 Jun 2014	Change	1 Jul 2012– 30 Jun 2013	Change
Revenue	155	151	2%	145	4%
Gross profit	138	131	5%	127	3%
Gross margin	*89%*	*87%*		*88%*	
EBITDA	45	23	93%	18	32%
EBITDA margin	*29%*	*15%*		*12%*	

Revenue

Revenue in the Operator Division increased by 2% during the year to SEK 155 million (151 in 2012/13, 12 months: 145), year on year.

The division is working actively to launch a Platform-as-a-Service (PaaS) proposition and establish it in the market. We have observed increasing demand for PaaS among operators, but primarily among enterprises that are not operators but need access to CLX technology as part of their value proposition.

Revenues from this PaaS business are recurring in nature, which promotes business development. Within the Operator Division, CLX has been working deliberately and successfully for some time to increase recurring revenues.

Profit trend

Gross profit increased during the year to SEK 138 million (131 in 2012/13, 12 months: 127), year on year. The increase is attributable mainly to a good product mix, where we have had a high share of recurring revenue (support and traffic-based revenue) and license upgrades. A large share of the division's revenues are in USD and EUR, but costs are in SEK and currency trends have been positive here.

A continuing efficiency program has also lead to cost reductions in the division, which are now showing up directly in higher profits.

EBITDA increased to SEK 45 million (23 in 2012/13, 12 months: 18) during the year, year on year. The EBITDA margin increased to 29% (15% in 2012/13, 12 months: 12%). EBITDA for 2014/15 includes a recovered customer loss of SEK 10 million. A provision for this customer loss was made during the 2012/13 and 2013/14 financial years.

Important events

The integration of Caleo Technologies AB is proceeding as planned.

CLX has decided to invest approximately SEK 15 million to further develop the PaaS proposition. This investment includes a new Network Operations Center (NOC) in Poland. The company is engaged heavily in dialog in this area, which is new to CLX. This initiative has strong synergies with the launch of the company's IoT proposition in the Enterprise Division. The investments were charged against earnings partially during the fourth quarter of the financial year, but the majority of the investments will be made in future financial years. The first customer contract based on this proposition has already been signed.

Consolidated liquidity and financial position

Cash flow from operating activities during the year amounted to SEK 95 million (-5 in 2012/13, 17 months: 47). The increase in cash flow is primarily attributable to the company's efforts to reduce accounts receivable and increase profit growth during the period.

At the end of the period, the Group had SEK 71 million in cash (56 in 2012/13, 17 months: 61) and an unused overdraft facility of SEK 100 million.

Research and development

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

Development resources were reinforced during the year through acquisitions (Caleo Technologies AB and Voltari Inc.) and new recruitments in Sweden.

Important development work in progress includes the IoT initiative and the integration of Caleo's BSS product with the CLX platform.

Development expenses are capitalized in accordance with applicable accounting rules and are depreciated over 3 years. Development expenses of SEK 3 million (4 in 2012/13, 17 months: 6) were capitalized during the year.

Total expenses for research and development recognized during the year amount to SEK 31 million (28 in 2012/13, 17 months: 38).

Employees

During the period, the Group employed an average of 138 persons (126 in 2012/13, 17 months: 107). Women make up 14% of the workforce, whose average age is 39.

Share capital and ownership structure

The share

As of 30 June 2015, CLX Communications AB had share capital of SEK 54,054.05 divided among 1,081,081 shares, each with a quotient value of SEK 0.05. CLX Communications AB's share capital is comprised of 1,000,000 common shares and 81,081 preference shares. Each share confers equal voting rights.

Share capital history

CLX Communications AB was incorporated 1 February 2012 with share capital of SEK 50,000 divided among 50,000 shares.

A share split was carried out on 23 February 2012, after which the total number of shares increased to 1,000,000.

A decision to carry out a new issue was made on 17 June in which the principal owner, CLX Networks Holding AB, subscribed for 81,081 preference shares, against consideration paid by offsetting CLX Networks Holding AB's claim of SEK 150,000,000 against CLX Communications AB. The new issue increased share capital by SEK 4,054.05 to a total of SEK 54,054.05.

Preference shares will have precedence over common shares in the distribution of dividends or comparable until the SEK 150,000,000 plus an annual appreciation factor of three percent (3%) has been paid out to the preference shares. Thereafter, dividends will be distributed equally among all common shares.

Before or in conjunction with any market listing of shares in CLX Communications AB, all preference shares will be converted to common shares, which will mean that all shares in the company will have equal rights to dividends.

Largest shareholders as of 30 June 2015

Shareholder	No. of shares	Interest
CLX Networks Holdings AB	1 051 681	97,28%
Employees	29 400	2,72%
Total	**1 081 081**	**100,00%**

The environment

CLX's core business – software development and management of digital transactions – has very limited environmental impact. CLS has impact on the environment mainly through travel and hardware operation and decommissioning. Although the company does not have a formal environmental policy or objectives, CLX aims to minimize this impact by replacing travel with online communications and when this is not possible by choosing the mode of transport (train, for example) that has the least possible environmental impact. The company also aspires to send outmoded hardware for environmentally sound recycling.

Risks and risk management

CLX is exposed to a number of risks that may impact consolidated profit and financial position. CLX continuously evaluates, identifies and manages the risks to which it is exposed. The risks assessed as most material to the company are described below.

Risks arising from the company, 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 infrastructure to deliver services and solutions to customers. The company's operations may be impeded by damage or breakdowns in technical systems, infrastructure and software and may be affected by faults in the network, system, infrastructure, software, or hardware of a customer, mobile operator, or service vendor. This can cause loss of revenue as well as loss existing and potential customers, which may have serious adverse impact on CLX's business, financial position and operating profit.

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 faults 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 unutilized 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 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 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, financial position and operating profit.

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 functions and the 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 obtained through legislation and agreements (primarily license and non-disclosure agreements) with customers, employees, partners and other parties. However, it may prove that the measures CLX takes to protect its intellectual property are 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 to 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.

Dependence upon key individuals

CLX is dependent upon senior 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 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 serious adverse impact on CLX's business, financial position and operating profit.

Currency risk

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 reporting 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 serious adverse impact on CLX's business, financial position and operating profit. Please refer to Note 4 for further information.

Tax risk

CLX does business through subsidiaries in several countries. Intragroup transactions take place in accordance with CLX's internal pricing policy and in line with CLX's understanding or interpretation of applicable tax law, taxation agreements, other tax rules and relevant requirements of 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 have serious adverse impact on CLX's business, financial position and operating profit.

Dividend policy and financial targets

CLX's target is to achieve annual organic revenue growth of at least 20% over the medium to long term.

CLX's target is an EBIT margin around 10%.

CLX's target is to distribute at least 30% of net profit while safeguarding the company's financial position, acquisition opportunities and outlook.

CLX's capital structure should ensure a high degree of financial flexibility and enable acquisitions. CLX's target is maximum net debt of 2 x EBITDA for the preceding 12 months.

Guidelines for remuneration to senior management personnel

Remuneration to the CEO and other senior management personnel must reflect CLX's need to recruit and motivate qualified employees by means of remuneration packages perceived as fair and competitive.

Remuneration shall consist of the following components:

- Fixed base pay
- Short-term variable pay
- Long-term variable pay
- Pension benefits
- Other benefits and severance pay.

Base pay and variable pay

Fixed salary must reflect the employee's position, qualifications, experience and individual performance. It must be on market terms.

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% of fixed base pay for the CEO and other senior management personnel.

Long-term variable pay may encompass share-related incentive programs; see below.

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.

Share-related incentive program

Each year, the Board of Directors will evaluate 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 management personnel 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.

Termination of employment

If the company terminates the CEO's employment, the period of notice shall not exceed 6 months and if the CEO resigns, the period of notice shall be 6 months.

A period of notice applies between the company and other senior management personnel of 3-6 months' notice of termination by the company and 3-6 months' notice of resignation by the employee.

The parent company

The parent company's operations consist only of certain corporate management functions. At the end of the period, the parent company had 0 (0 in 2012/13, 17 months: 0) employees. The average number of employees during the period was 0 (0 in 2012/13, 17 months: 0).

- Net sales amounted to SEK 150 thousand (0 in 2012/13, 17 months: 0).
- The operating loss was SEK -6,280 thousand (-15 in 2012/13, 17 months: -5).
- The loss after net financial income and expenses was SEK -25,782 thousand (-1,188 in 2012/13, 17 months: -38,064).
- The parent company's liquidity as of 30 June 2015 amounted to SEK 846 thousand (80 in 2012/13, 17 months: 95).
- Investments in non-current tangible and intangible assets amounted to SEK 0 thousand (0 in 2012/13, 17 months: 0).

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

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. The flexible and robust CLX communications platform contributes to ensuring that the company is well-equipped to meet its customers' present and future communications needs.

CLX does not issue forecasts.

Proposed allocation of profit

The Board of Directors will propose to the annual general meeting that no dividend is distributed for the 2014/15 financial year. The following non-restricted equity in the parent company is at the disposal of the annual general meeting:

Profit is at the disposal of the annual general meeting as follows (kSEK)	
Share premium reserve	149,995
Retained earnings	28,338
Profit for the year	1,032
Total	**179,365**

The Board of Directors proposes that profit be allocated as follows:	
Carried forward to the share premium reserve	149,995
Retained	29,370
Total	**179,365**

Consolidated income statement

kSEK	Note	July 1, 2014– June 30, 2015 (12 months)	July 1, 2013– June 30, 2014 (12 months)	February 1, 2012– June 30, 2013 (17 months)
Revenue	5	**844 394**	**605 531**	**478 510**
Other operating income	6	29 624	13 789	19 230
Work performed by the entity and capitalized		3 304	3 824	5 804
Cost of goods sold and services		-592 519	-372 637	-252 635
Other external costs	7,8	-58 307	-40 441	-44 951
Personnel costs	9	-124 737	-102 278	-121 138
Depreciation/amortization of property, plant and equipment and intangible assets	15,16	-4 446	-2 048	-1 181
Other operating expenses	6	-8 624	-29 509	-20 911
Operating profit		**88 689**	**76 231**	**62 728**
Profit from financial items				
Financial income	10	890	640	612
Financial expenses	11	-19 809	-32 801	-38 384
Profit before tax		**69 770**	**44 070**	**24 956**
Income tax expense	12	**-16 835**	**-10 769**	**-7 722**
Profit for the year		**52 935**	**33 301**	**17 234**
Attributable to:				
Owners of the Parent company		53 198	33 315	17 234
Non-controlling interests		-263	-14	0
Earning per share, SEK	13			
Basic		53,20	33,32	17,23
Diluted		53,08	33,32	17,23
Basic after share split		1,77	1,11	0,57

Consolidated statement of comprehensive income

kSEK	Note	July 1, 2014– June 30, 2015 (12 months)	July 1, 2013– June 30, 2014 (12 months)	February 1, 2012– June 30, 2013 (17 months)
Profit for the year		**52 935**	**33 301**	**17 234**
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of translation of foreign operations		156	38	-82
Items that may be subsequently reclassified to profit or loss, total		**156**	**38**	**-82**
Total comprehensive income for the year		**53 091**	**33 339**	**17 152**
Attributable to:				
Owners of the Parent		53 391	33 353	17 152
Non-controlling interests		-300	-14	0

Consolidated balance sheet

Assets

kSEK	Note	June 30, 2015	June 30, 2014	June 30, 2013
Non-current assets				
Intangible assets	15			
Goodwill		56 799	45 438	44 487
Capitalized development expenditure		9 101	9 042	5 603
		65 900	**54 480**	**50 090**
Property, plant and equipment				
Equipment	16	4 698	1 702	1 391
		4 698	**1 702**	**1 391**
Financial assets				
Derivatives	18	2 600	0	0
		2 600	**0**	**0**
Deferred income tax assets	12	228	4 435	832
Total non-current assets		**73 426**	**60 617**	**52 313**
Current assets				
Inventories		215	43	2 903
		215	**43**	**2 903**
Current receivables and other assets				
Accounts receivables	17	135 317	74 757	50 701
Current tax receivables		6 191	251	1 763
Derivatives	18	1 210	0	194
Other receivables		7 195	5 896	2 828
Receivables on ultimate parent company		0	38 000	58 248
Prepaid expenses and accrued income	19	39 645	73 264	50 698
		189 558	**192 168**	**164 432**
Cash and cash equivalents	20	**70 974**	**55 876**	**60 968**
Total current assets		**260 747**	**248 087**	**228 303**
Total assets		**334 173**	**308 704**	**280 616**

Equity and liabilities

kSEK	Note	June 30, 2015	June 30, 2014	June 30, 2013
Equity				
Equity	21	54	50	50
Other contributed capital	22	174 999	63 003	63 003
Translation reserve	23	71	-122	-160
Other reserves	4	-468	0	0
Accumulated losses including profit for the year		-138 079	-191 277	-224 592
Equity attributable to owners of the company		**36 577**	**-128 346**	**-161 699**
Non-controlling interests		4 879	0	0
Total equity		**41 456**	**-128 346**	**-161 699**
Non-current liabilities	24			
Liabilities to credit institutions		79 851	0	0
Liabilities to ultimate parent company		971	301 510	339 186
Other non-current liabilities		5 269	0	0
Derivatives	18	0	737	183
Deferred income tax liabilities	12	8 162	6 548	6 015
		94 253	**308 795**	**345 384**
Current liabilities				
Advances from customers		9 624	3 633	4 934
Accounts payables		90 455	46 692	27 226
Current tax liabilities		2 707	8 702	9 776
Derivatives	18	415	4 250	1 315
Other current liabilities		3 862	3 637	5 078
Accrued expenses and prepaid income	25	91 401	61 341	48 602
		198 464	**128 255**	**96 931**
Total equity and liabilities		**334 173**	**308 704**	**280 616**

CLX

Consolidated statement of changes in equity

	Share capital	Other contributed capital	Translation reserve	Other reserves	Accumulated losses incl. profit for the year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Opening balance at 1 February 2012	**50**	**0**	**0**		**0**	**50**	**0**	**50**
Profit for the year					17 234	17 234	0	17 234
Other comprehensive income:								
Translation differences			-82			-82	0	-82
Total other comprehensive income			**-82**		**0**	**-82**	**0**	**-82**
Total comprehensive income			**-82**		**17 234**	**17 152**	**0**	**17 152**
Transactions with owners:								
Contribution from ultimate parent company, net of tax (note 22)		63 003			0	63 003	0	63 003
Acquisition of subsidiaries under common control (note 28)			-78		-241 826	-241 904	0	-241 904
Total transactions with owners	**0**	**63 003**	**-78**		**-241 826**	**-178 901**	**0**	**-178 901**
Closing balance at 30 June 2013	**50**	**63 003**	**-160**	**0**	**-224 592**	**-161 699**	**0**	**-161 699**

	Share capital	Other contributed capital	Translation reserve	Other reserves	Accumulated losses incl. profit for the year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Opening balance at 1 July 2013	**50**	**63 003**	**-160**		**-224 592**	**-161 699**	**0**	**-161 699**
Profit for the year					33 315	33 315	-14	33 301
Other comprehensive income:								
Translation differences			38			38	-1	37
Total other comprehensive income			**38**		**0**	**38**	**-1**	**37**
Total comprehensive income			**38**		**33 315**	**33 353**	**-15**	**33 338**
Other changes in equity:								
Acquistions of subsidiary						0	15	15
Sum other changes in equity	**0**	**0**	**0**		**0**	**0**	**15**	**15**
Closing balance at 30 June 2014	**50**	**63 003**	**-122**	**0**	**-191 277**	**-128 346**	**0**	**-128 346**

	Share capital	Other contributed capital	Translation reserve	Other reserves	Accumulated losses incl. profit for the year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Opening balance at 1 July 2014	**50**	**63 003**	**-122**		**-191 277**	**-128 346**	**0**	**-128 346**
Profit for the year					53 198	53 198	-263	52 935
Other comprehensive income:								
Translation differences			193			193	-37	156
Total other comprehensive income			**193**		**0**	**193**	**-37**	**156**
Total comprehensive income			**193**		**53 198**	**53 391**	**-300**	**53 091**
Changes in values of assets and liabilities:								
Put option Caleo Technologies AB (note 4)				-468		-468	0	-468
Total value changes				**-468**	**0**	**-468**	**0**	**-468**
Transactions with owners:								
New share issue	4	149 996			0	150 000	0	150 000
Refunding of conditional shareholders contribution (note 22)		-38 000			0	-38 000	0	-38 000
Total transactions with owners	**4**	**111 996**	**0**		**0**	**112 000**	**0**	**112 000**
Other changes in equity:								
Acquistions of subsidiary						0	5 179	5 179
Sum other changes in equity	**0**	**0**	**0**		**0**	**0**	**5 179**	**5 179**
Closing balance at 30 June 2015	**54**	**174 999**	**71**	**-468**	**-138 079**	**36 577**	**4 879**	**41 456**

Consolidated cash flow statement

kSEK	Note	July 1, 2014– June 30, 2015 (12 months)	July 1, 2013– June 30, 2014 (12 months)	February 1, 2012– June 30, 2013 (17 months)
Cash flows from operating activities				
Operating profit		88 690	76 231	62 728
Adjustments for non-cash items:				
Depreciation		4 446	2 048	1 181
(Recovery of provision)/provision expense for impairment of receivables		-14 350	12 678	2 414
Derivatives		-7 782	3 683	1 304
Other		242	-82	249
Interest received		290	640	611
Interest paid		-19 810	-56 969	-14 198
Income tax paid		-22 944	-13 411	-16 203
Cash-flows from operating activities before changes in working capital		**28 782**	**24 818**	**38 086**
Changes in working capital				
Decrease(+)/Increase(-) in inventories		-172	2 860	-2 216
Decrease(+)/Increase(-) in accounts receivables		-45 062	-36 734	-8 712
Decrease(+)/Increase(-) in other short-term receivables		33 371	-25 496	-9 983
Decrease(-)/Increase(+) in accounts payables		43 561	19 467	8 047
Decrease(-)/Increase(+) in other short-term liabilities		34 459	9 951	21 377
Cash-flows from operating activities		**94 939**	**-5 134**	**46 599**
Investing activities				
Acquisition of subsidiaries	27	-2 555	0	31 223
Acquisition of operations	27	0	-1 999	0
Acquisition of intangible assets		-3 304	-3 824	-5 804
Acquisiton of equipment		-3 952	-945	-787
Received payment of receivable towards ultimate parent company		0	20 231	0
Loan to ultimate parent company		0	0	-10 210
Cash-flows from investing activities		**-9 811**	**13 463**	**14 422**
Financing activities				
Amortization to ultimate parent company	29	-150 539	-13 490	0
Proceeds from loans received		79 851	0	0
Contribution from non-controlling interests		507	15	0
Cash-flow from financing activities		**-70 181**	**-13 475**	**0**
Cash-flows for the year		**14 947**	**-5 146**	**61 021**
Cash and cash equivalents at the beginning of the financial year		**55 876**	**60 968**	**50**
Effects of exchange rate changes on the balance of cash held in foreign currencies		**151**	**54**	**-103**
Cash and cash equivalents at the end of the financial year	20	**70 974**	**55 876**	**60 968**

Notes to the consolidated financial statements

Note 1 General information

CLX Communications AB (the "Parent Company"), Corporate Registration No. 556882-8908, is a limited liability company incorporated in Sweden domiciled in Kista. The address to the headquarter is Färögatan 33, 164 51 Kista. The Parent Company and it's subsidiaries (the "Group's" or "CLX's") business consist of mobile messaging services for enterprises, and development and sales of software that support such messaging services. The composition of the Group is disclosed in note 14.

CLX Communications AB was founded (under the name Seitse 1 Holding AB) on 1 February 2012 and subsequently decided to extend its first financial year to 30 June 2013. Consequently, the historical financial information for the fiscal year ended June 30, 2013 is not directly comparable with the audited historical financial information for the years ended 30 June 2015 and 2014. To enable a comparison of the company's results for the fiscal year ended June 30, 2014, the company has developed selected revised historical financial information for the segments for the twelve month period ended 30 June 2013.

The ultimate Parent company of CLX Communications AB is CLX Networks Holding AB, Corporate Registration No. 556798-5261, domiciled in Kista (the "Ultimate Parent Company").

The financial statements for the parent company and the group were approved for issuance by the Board of Directors on September 1, 2015. The income statements and balance sheets for the Group and Parent company are subject for adoption at the Annual General Meeting on September 7, 2015.

Note 2 Significant accounting principles

This is CLX Communications AB's first consolidated financial statements. The consolidated financial statements for CLX have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and the interpretations of the IFRS Interpretations Committee (IFRIC). In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary rules for Group accounting".

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value. The significant accounting principles applied in the preparation of these consolidated financial statements are described below.

New and revised standards and interpretations not yet effective

The following new and revised standards and interpretations which are issued but not yet effective have not been early adopted by the Group. The new and revised standards which may have an effect on the consolidated financial statements, when applied for the first time, are described below.

IFRS 15 Revenue from contracts with customers was issued on 28 May 2014 and will replace IAS 18 Revenue and IAS 11 Construction contracts. IFRS 15 establish a single model for revenue recognition for almost all revenue arising from contracts with customers, except for leasing agreements, financial instruments and insurance contracts. The core principle of IFRS 15 is that an entity should recognise 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. Revenue is recognised when the customer obtains control of a good or service. Application of IFRS 15 is mandatory for annual reporting periods beginning on or after 1 January 2018, with earlier application permitted. The standard is not yet adopted by the EU.

IFRS 9 Financial instruments was issued on July 24, 2014 and will replace IAS 39 Financial instruments: Recognition and Measurement. IFRS 9 has been issued in phases, the version issued in July 2014 replaces all previous versions. The standard provides new requirements for classification and measurement of financial instruments, derecognition, impairment and general hedge accounting. The 'macro-hedging' part has been removed to a separate project. IFRS 9 is mandatory for periods beginning January 1, 2018. The standard is not yet adopted by the EU.

Management has not yet performed a detailed analysis of the application of IFRS 15 and IFRS 9 and can therefore not quantify the effects. According to management, other new and revised IFRSs and Interpretations will not have any significant impact on the consolidated financial statements, when adopted for the first time.

Consolidated Financial Statements

The consolidated financial statements comprise the Parent Company and all companies over which the Parent Company has control (subsidiaries). Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with another company and has the ability to affect the returns through its power over that company. Control is normally achieved when the parent company directly or indirectly owns shares representing more than

50% of the voting rights.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. When necessary, adjustments have been made to the financial statements of subsidiaries to bring their accounting principles into line with the Group's accounting principles. All intra-group transactions, balances and unrealized gains and losses attributable to intra-group transactions have been eliminated in full on consolidation.

Transactions with non-controlling interests

'Changes in the Parent Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, i.e. as transactions with the Group's owners. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and allocated to shareholders of the Parent Company.

When the Parent Company loses control of a subsidiary, the gain or loss on the sale is calculated as the difference between:

i) the aggregate of the fair value of the consideration received and the fair value of any retained interests and

ii) the previous carrying amount of the subsidiary's assets (including goodwill), liabilities and any non-controlling interests.

The fair value of any investment retained in the former subsidiary at the date when control ceases is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, as the cost on initial recognition of an investment in an associate or a jointly-controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred or obligations assumed and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

The consideration transferred by the Group in a business combination also includes the fair value of any assets and liabilities resulting from a contingent consideration arrangement. Changes in the fair value of contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustment against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed at the acquisition date. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. All other subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

At the acquisition date, the identifiable assets acquired and the liabilities assumed, as well as any contingent assets, are recognised at their fair value, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefits arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee benefits", respectively.
- Liabilities or equity instruments related to share-based payments arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date.
- Assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the sum of the consideration transferred, the amount of any non-controlling interests, and the acquisition-date fair value of any previous held equity interests in the acquiree exceed the identifiable net assets acquired, goodwill is recognised. If, after reassessment, this difference is negative, it is recognised directly in profit or loss as a bargain purchase gain.

For each business combination, any previous non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interest's proportional share of the recognised amounts of the acquiree's identifiable net assets.

The transfer of CLX Networks AB and Symsoft AB, were treated as common controlled transactions. Business combinations under common control have been accounted for in the consolidated accounts prospectively, from the date the parent company, CLX Communications AB, obtained the ownership interest. The difference between the consideration paid by the Parent company and the amounts at which the assets and liabilities are recorded in the consolidated financial statements, being at historical cost, was recognised directly in equity.

Goodwill

Goodwill arising when preparing the consolidated financial statements represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill is carried at cost as established at the date of acquisition of the subsidiary less accumulated impairment losses, if any. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units that is expected to benefit from the synergies of the acquisition. These units are the Group's operating segments.

Goodwill is tested for impairment annually. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then the carrying amount of goodwill attributable to other assets in a unit is reduced. A recognised impairment loss for goodwill is not reversed in subsequent periods.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results excluding amortization and depreciation (EBITDA) are regularly reviewed by the entity's chief operating decision maker. Segment reporting is disclosed in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function assessing the operating segments performance and which is responsible for allocating resources of the operating segments. The group's management team has been identified as the chief operating decision-maker. The accounting principles of the reported segments agree with the accounting principles applied by the Group.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is stated net of value added taxes, discounts, returns and similar allowances. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the Group's activities as described below.

The Group's revenue mainly consist of management of messages for enterprise communication, sale of initial software licences and upgrades, hardware and support.

Sale of services

Revenue from sale of services on open charge accounts are recognised in the accounting period when the services are rendered.

Revenue from sale of services to fixed prices are recognised by applying the percentage of completion method. Under this method, revenue and costs are recognised by reference to the stage of completion of the contracts at the balance sheet date. The stage of completion is determined by reference to the contract costs incurred to date compared to the estimated total cost. An expected loss on a service contract is immediately recognised as an expense. When the outcome of a service contract cannot be reliable estimated, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

Revenue from separate support contracts

Revenue from separate support contracts are recognised on a straight-line basis over the contract period.

Revenue from separate upgrades of software licences

Revenue from separate upgrades of software licenses is recognised when the software is delivered. In cases, when adaption will be made after the initial delivery, revenue is recognised as for sale of services to fixed prices.

Sale of goods

Revenue from sale of hardware is recognised when the goods are delivered.

Dividend and interest income

Dividend income is recognised when the shareholder's right to receive payment has been established.

Interest income is recognised over the term using the effective interest method.

Lease agreement

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Other lease agreements are classified as operational leases.

The Group as lessee

Assets held under financial leases are initially recognised as non-current assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between interest and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The interest expense is recognised directly in the income statement, unless it is directly attributable to the acquisition of an asset which requires a significant time to complete for its intended use or sale, then the interest expense is capitalized in accordance with the Group's principles for borrowing costs (see below). The non-current assets are depreciated over the shorter of the asset's useful life and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional currency and presentation currency.

Foreign currency transactions are, in each entity, translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investments hedges.

For the purpose of presenting the consolidated financial statement, the assets and liabilities of the Group's foreign subsidiaries are translated into Swedish kronor using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless the exchange rate has fluctuated significantly during that period, in which case the exchange rates at the dates of transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's translation reserve. On disposal of a foreign subsidiary, such translation differences are recognised in the income statement as a part of the capital gain or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign entity are treated as though these were assets and liabilities held by this entity and translated at the rate of exchange prevailing at the end of each reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in profit of loss in the period in which they are incurred.

Employee benefits

Employee benefits which include salaries, bonuses, holiday pay, paid sick leave, etc. and pensions are recognised as the related service is rendered. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The Group only has defined contribution pension plans.

Defined contribution plan

For defined contribution pension plans, the Group pays fixed contributions into a separate, independent legal entity and the Group has no legal or constructive obligations to pay further contributions. Payments are recognised as an expense when employees have rendered the services entitling them to the contributions, this usually corresponds to when the contributions are due.

Taxes

The tax expense comprises current and deferred tax.

Current tax

Current tax is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the income statements because of items of income or expense that are taxable or deductible in other periods and items that never are taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax are recognised according to the so called balance-sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the temporary difference refer to goodwill or arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits available against which the temporary difference can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is it no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or announced by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liability and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and the Group has an intention to settle the balances on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in the income statement, except when the tax relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Cost include the purchase price, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating and estimated cost of dismantling and removing the asset and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliable. All other repairs and maintenance are recognised in the income statement in the period in which they are incurred.

Depreciation on property, plant and equipment is recognised so as to write off the cost of the asset, less estimated residual value at the end of over their useful lives, using a straight-line method. Depreciation of an asset begins when it is available for use. The estimated useful life for equipment is 5 years.

The assets' useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. The effect of changes are recognised prospectively.

The carrying amount of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset or the component. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or a component is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement as other operating revenue or other operating expenses.

Intangible assets

Internally-generated intangible assets – research and development expenditure

Internally-generated intangible assets arising from the Group's product development are recognised if, and only if, all of the following have been demonstrated:

- there is a technical feasibility of completing the intangible asset so that it will be available for use or sale,
- it is the Group's intention to complete the intangible asset and use or sell it,
- there is an ability to use or sell the intangible asset,
- the Group can demonstrate how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- there is an ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the income statement in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life is 3 years. Estimated useful lives and amortization methods are reviewed at least at the end of each financial year, and the effect of any changes in estimates are recognized prospectively.

Intangible assets separately acquired

Intangible assets with finite useful lives that are separately acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of changes in estimate being accounted for on a prospective basis. Depreciation of an asset begins when it is available for use.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill when they meet the definition of an intangible asset and their fair value can be reliable estimated. The cost for such an asset is initially the fair value at the acquisition date. It is amortised over the expected useful life which is 3 years.

Subsequent to initial recognition, intangible assets acquired in a business combination are carried at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

Impairment of property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amount of its property,plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at lease annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

When an impairment loss is reversed, the asset’s (cash-generating unit) value is increased to the revalued recoverable value, but the increased carrying amount can not exceed the carrying amount that would be determined if no impairment had been made of the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in income.

Financial instruments

A financial asset and a financial liability is recognised when the Group becomes party to the contractual provisions of the instruments. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. A financial liability, or a part of a financial liability is derecognised when the obligations are discharged, cancelled or they expire.

At the end of each reporting period, financial assets are assessed for indicators of impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty or a default in payment of due amounts.

Financial assets and financial liabilities which are subsequent not measured at fair value through profit or loss, are at the initial recognition measured at fair value plus/minus transaction costs. Financial assets and financial liabilities which are subsequent measured at fair value through profit or loss, are at the initial recognition measured at fair value. The subsequent recognition of financial instruments at amortised cost or to fair value depends on the initial classification in accordance with IAS 39.

On initial recognition, a financial instrument is classified in one of the following categories:

Financial assets:

a) Fair value through profit or loss
b) Loans and receivables
c) Held-to-maturity investments
d) Available-for-sale financial assets

Financial liabilities:

a) Fair value through profit or loss
b) Other financial liabilities measured at amortised cost

Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

The fair value of financial assets and financial liabilities in active markets are determined by quoted market prices.

The fair value of other financial assets and financial liabilities are determined in accordance with general accepted valuation models, such as discounting of future cash flows and the use of information from current transaction in the market.

For all financial assets and financial liabilities, the carrying amount is considered as a reasonable approximation of fair value, if not disclosed otherwise in the following notes.

Amortised cost

Amortised cost is the amount at which the financial asset or the financial liability is measured at initial recognition minus amortisation payments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment.

The effective interest rate is the rate that exactly discounts estimated future cash through the expected life to the net carrying amount of the financial asset or the financial liability on initial recognition.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank deposits and other short-term highly liquid investments that are readily convertable to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment qualify as cash equivalents only when it has a maturity of three months or less from the date of acquisition. Cash and cash equivalents are categorised as “Loans and receivables”, thus is measured at amortised cost. Since bank deposits are payable upon demand, amortised cost corresponds to the nominal amount. Short-term investments are categorised as “Fair value through profit or loss” in sub-category “Held for trading”, thus they are measured at fair value and the changes in value are recognised in the income statement.

Account receivables

Account receivables are categorised as “Loans and receivables”. Loans and receivables are measured at amortised cost, however, since the expected duration is considered short, accounts receivables are measured at their nominal amount less any impairment. Impairments of accounts receivables are recognised as operating costs.

Accounts payables

Accounts payables are categorised as “Other financial liabilities”. Other financial liabilities are measured at amortised cost, however, since the expected duration is considered short, accounts payables are measured at their nominal amount.

Liabilities to credit institutions and other borrowings

Interest bearing loans to credit institutions, overdraft facilities and other borrowings are categorised as “Other financial liabilities” which are measured at amortised cost in accordance with the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value or amortisation of borrowings is recognised in the income statement over the period of the borrowings.

Derivatives

The Group enters into derivative transactions to manage foreign exchange risks. The Group does not apply hedge accounting, thus the derivative instruments are categorized as “Fair value through profit or loss”, in the sub-category “Held for trading”. Derivatives with positive carrying amounts are presented as assets on line item “Derivatives” in the balance sheet, and derivatives with negative carrying amounts are presented as liabilities on line item “Derivatives” . Changes in the fair value of derivatives are recognised in either the net financial income/expenses or the operating profit, depending on the instrument’s purpose.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value represent the estimated selling price, less estimated costs of completion and cost necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount.

The recognised amount is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

A provision for onerous contract is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Note 3 Critical accounting estimates and judgements

Listed below are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, and the key judgments that management has made in applying the Group's accounting policies.

Impairment testing of goodwill

In the calculation of cash generating units' recoverable value for the assessment of possible goodwill impairment, several assumptions of parameters have been made. These are disclosed in note 15. However, it is managements view, that considerable changes in conditions would be necessary for these assumptions and estimations to have a significant impact on goodwill.

Recognition of revenue from sale of services at fixed prices

CLX uses the percentage of completion method in accounting for its fixed price projects to deliver services, thus the Group continuously makes provisions for possible risks and deviations.These judgements are based on historical experience and other factors which have assessed to be reasonable under the existing circumstances. Actual results may differ from these judgements if other obligations are made or other conditions exist.

Part of the Group's revenue are generated from large and complex projects at fixed prices and the percentage of completion method is used. Under this method, revenue and costs are recognised by reference to the stage of completion of the contracts at the balance sheet date. The stage of completion is determined by reference to the total services incurred to date compared to the estimated total services to be performed. Total costs for each project constitutes the basis for the assessment of the proportion of services provided. If the assessment of the percentage of completion is incorrect, this may result in an incorrect accounting of the Group's profit or loss. The Group's sensitivity analysis shows that a change in the assessment of the percentage of completion by 10 % may impact revenue by 7 056 kSEK during the financial year 2014/15 (4 810 kSEK during 2013/14).

Accounts receivable

Accounts receivable are reported net of provisions for doubtful receivables. The net value corresponds to the value expected to be obtained. The expectations are based on circumstances known at the closing date. An amended financial position of a significant customer could result in a different valuation The Group monitors customer financial stability and the conditions under which they operate in order to estimate the probability of payment of individual claims. Total provision for doubtful debts on 2015-06-30 amounted to 743 kSEK (15,092 kSEK) or 0.5% (20.1%) of total accounts receivable.

The Group's assessment is that the payment will be received for accounts receivable that are past due but not reserved, since the customer's payment history is good. Valuation of doubtful receivables is made monthly. The valuation shall be based on the risks regarding past due percentage.

Note 4 Financial risk management and financial instruments

The Group is exposed, through its operations, to different types of financial risks such as market risk, liquidity risk and credit risk. Market risks comprises mainly interest rate risk and currency risk. The company's Board of Directors is ultimately responsible for the exposure, management and monitoring of the Group's financial risks. The framework for the exposure, management and monitoring of the financial risks is set by the Board of Directors in the finance policy which is revised annually. The Board has delegated the daily risk management to the company's CFO. The Board can decide on temporary deviations from the established finance policy.

Market risks

Currency risk

Currency risk refers to the risk that fair values or future cash flows fluctuate due to changes in foreign exchange rates. Exposure to currency risk arises mainly from cash flows in foreign currencies, so called transaction exposure, as well as from the translation of foreign subsidiaries' income statements and balance sheets into the Group's presentation currency, the Swedish krona, so called translation exposure.

Transaction exposure

Transaction exposure is the risk that the income statement is negatively impacted by fluctuations in exchange rates of the cash flows denominated in foreign currencies. The Group's outflow consists mainly of EUR, USD, GBP and SEK and the Group's inflows consists mainly of EUR, USD and GBP. The Group is to a limited extent influenced by changes in these foreign exchange rates.

The Group's policy is to hedge max 80% of the forecasted cash flows of EUR and USD over the coming 18 months. According to the Group's financial policy, the exposure shall be reduced through the use of derivatives. The Group currently only use forward contracts, but the policy also allows currency options. Currency futures mature according to the table below. At the balance-sheet date 60% (88%, 2013: 49%) of cash flows (12 months) in EUR, and 0% (7%, 2013: 22%) of cash flows (12 months) in USD were economically hedged. However hedge accounting in accordance with IAS 39 is not applied.

The table below discloses nominal net amounts of the material transaction exposures. The exposure is based on the Group's cash flows in the significant currencies.

Currency (1 000)	July 1, 2014– June 30, 2015	July 1, 2013– June 30, 2014	February 1, 2012– June 30, 2013
EUR	34 121	25 089	22 494
USD	3 165	6 072	12 199
GBP	-2 809	-2 849	-3 980

The net carrying amount on monetary assets and liabilities subject to revaluation on the balance-sheet date is:

Currency (1 000)	June 30, 2015	June 30, 2014	June 30, 2013
EUR	6 250	3 797	3 190
USD	1 240	4 402	2 638
GBP	-748	-510	-877

Translation exposure

Translation exposure is the risk that the value of the Group's net investment in foreign operations in foreign currency is adversely impacted by changes in foreign exchange rates. The Group consolidates net assets in SEK at the reporting date. This risk is defined as translation exposure and isn't hedged according to the Group's finance policy. The Group consider translation exposure to be immaterial, since it is below 3 MSEK in total.

In "Sensitivity analysis to market risks" below, the impact of changes in the significant foreign currencies against the Swedish krona is disclosed.

Interest rate risk

Interest rate risk is the risk that fair values or future cash flows fluctuate as a result of changes in interest rates. The Group is mainly exposed to interest rate risk through its borrowings. The loans are at floating rate STIBOR90 +1.25 %, which means that the Group's future financial costs are affected by changes in market interest rates. The Group is also impacted by changes in market interest rates as a result of the derivatives hedging the transaction exposure (see above). The fair value of the forward contracts are immediately impacted by changes in interest rates which then directly impacts the income statement.

According to the finance policy the interest risk is not hedged.

In "Sensitivity analysis to market risks" below the impact of changes in the interest rates is disclosed.

Sensitivity analysis to market risks

The sensitivity analysis to *currency risks* discloses the Group's sensitivity to an increase or a decrease of 10% of the SEK against the most important currencies. The *transaction exposure* shows the impact on the Group's profit after tax by a change in the exchange rates. This also includes outstanding monetary assets and liabilities in foreign currencies at the balance date, including loans between group companies where the currency effect will impact the consolidated income statement. *Translation exposure* shows the impact on the Group's profit after tax and equity a change in the exchange rates.

The sensitivity analysis to interest risk presents the Group's sensitivity to an increase or a decrease of 1 % of the interest rate. The interest sensitivity is based on the impact on the profit after tax that a change in the market rate gives both on interest income and interest costs including unrealized fair value changes of derivatives. As the Group doesn't account for any fair value changes directly in other comprehensive income or in equity, the corresponding effects impact equity.

kSEK	2014/15 (12 months) Impact on profit/loss	2013/14 (12 months) Impact on profit/loss	2012/13 (17 months) Impact on profit/loss
Transaktionsexponering			
EUR +10%	31 573	23 073	19 700
USD +10%	2 641	4 093	8 190
GBP +10%	-3 687	-3 269	-4 078
Interest rates			
Financial expenses + 1%	-808	-3 015	-3 392
Financial income + 1%	0	0	0

Liquidity risk and refinancing risk

Liquidity risk refers to the risk that the Group will encounter difficulty to meet its obligations related to the Group's financial liabilities. Refinancing risk refers to the risk that the Group cannot obtain sufficient funding at a reasonable cost. To reduce liquidity risk and refinancing risk the Group has at its disposal undrawn committed credit facilities amounting to 100 MSEK.

The maturity analysis of the Group contractual obligations related to the Group's and the parent company's financial liabilities excluding derivatives are presented in the tables below. The amounts in the tables are undiscounted cash flows including interest payments where appropriate, thus these amounts are not possible to reconcile with the balance sheet. Interest payments are based on the conditions prevailing on the balance date. Amounts in foreign currencies are converted into SEK at exchange rates prevailing on the balance date.

The Group's loan agreements are subject to covenants, see note 24.

June 30, 2015	**Not later than 3 months**	**3–12 months**	**1–5 years**	**Later than 5 years**	**Total**
Liabilities to credit institutions	7 667	22 500	56 333	0	86 500
Liabilities to ultimate parent company				971	971
Other non-current liabilities				5 269	5 269
Account payables	90 455				90 455
Totalt	**98 122**	**22 500**	**56 333**	**6 240**	**183 195**

June 30, 2014	**Not later than 3 months**	**3–12 months**	**1–5 years**	**Later than 5 years**	**Total**
Liabilities to ultimate parent company	7 538	22 613	120 604	301 510	452 265
Account payables	46 692				46 692
Totalt	**54 230**	**22 613**	**120 604**	**301 510**	**498 957**

June 30, 2013	**Not later than 3 months**	**3–12 months**	**1–5 years**	**Later than 5 years**	**Total**
Liabilities to ultimate parent company	8 480	25 439	135 674	339 186	508 779
Account payables	27 226				27 226
Totalt	**35 706**	**25 439**	**135 674**	**339 186**	**536 005**

The timing of the contractual payment obligations related to the Group's derivatives are presented in the table below.

The amounts in these tables are undiscounted values and include interest payments where appropriate, which means that the amounts are not possible to reconcile with the balance sheet. The table is based on net flows for derivatives settled on a net basis and gross flows for the derivatives settled on a gross basis.

Interest payments are calculated on the basis of conditions prevailing on balance date. Amounts in foreign currency are converted into Swedish kronor at financial year-end rates.

June 30, 2015	Not later than 3 months	3–12 months	1–5 years	Later than 5 years	Total
Forward exchange agreement	-382	1 079	2 001	0	2 698
Put option Caleo Technologies AB				600	600
Totalt	**-382**	**1 079**	**2 001**	**600**	**3 298**

June 30, 2014	Not later than 3 months	3–12 months	1–5 years	Later than 5 years	Total
Forward exchange agreement	-1 539	-2 711	-737	0	-4 987
Totalt	**-1 539**	**-2 711**	**-737**	**0**	**-4 987**

June 30, 2013	Not later than 3 months	3–12 months	1–5 years	Later than 5 years	Total
Forward exchange agreement	-144	-977	-183	0	-1 304
Totalt	**-144**	**-977**	**-183**	**0**	**-1 304**

Credit risk and counterparty risk

Credit risk refers to the risk that the counterparty in a transaction causes a loss for the Group by not fulfilling its contractual obligations. The Group's exposure to credit risk is primarily attributable to accounts receivables. To limit the Group's credit risk, a credit risk analysis is made of each new customer. The financial situation of existing customers is also constantly monitored to identify warning signals in an early stage.

Credit risk also arises when the company's surplus liquidity is invested in different types of financial instruments. Excess liquidity can according to the finance policy be invested in interest-bearing bank accounts or in interest-bearing securities. According to the financial policy the credit risk in investments shall be limited by investments only with counterparties with a very high rating. Further the finance policy stipulates that investments must be spread on several counterparties or issuers.

Accounts receivable are spread on a large number of customer and no single customer has a significant part of the total accounts receivable. Accounts receivable are not concentrated to a specific geographical area. The Group therefore believes that the concentration risks are limited.

The Group's maximum exposure to credit risk is represented by the carrying amount of all financial assets and is disclosed in the table below.

	June 30, 2015	June 30, 2014	June 30, 2013
Accounts receivables	135 317	74 757	50 701
Derivatives	3 810	0	194
Ultimate parent company recievables	0	38 000	58 248
Cash and cash equivalents	70 974	55 876	60 968
Maximum exposure to credit risk	**210 101**	**168 633**	**170 111**

Categories of financial instruments

The carrying amounts of financial assets and liabilities per category in IAS 39 are presented in the table below.

June 30, 2015	Fair value through profit or loss (Held for trading)	Loans and receivables	Other liabilities	Carrying amount
Financial assets				
Accounts receivable		135 317		135 317
Derivatives	3 810			3 810
Cash and cash equivalents		70 974		70 974
	3 810	**206 291**	**0**	**210 101**
Financial liabilities				
Skulder till kreditinstitut, långfristiga			79 851	79 851
Other non-current liabilities			5 269	5 269
Liabilties to ultimate parent company			971	971
Derivatives	415			415
	415	**0**	**86 091**	**86 506**

June 30, 2014	Fair value through profit or loss (Held for trading)	Loans and receivables	Other liabilities	Carrying amount
Financial assets				
Accounts receivable		74 757		74 757
Derivatives	0			0
Ultimate parent company recievables		38 000		38 000
Cash and cash equivalents		55 876		55 876
	0	**168 633**	**0**	**168 633**
Financial liabilities				
Liabilties to ultimate parent company			301 510	301 510
Derivatives	4 987			4 987
	4 987	**0**	**301 510**	**306 497**

June 30, 2013	Fair value through profit or loss (Held for trading)	Loans and receivables	Other liabilities	Carrying amount
Financial assets				
Accounts receivable		50 701		50 701
Derivatives	194			194
Ultimate parent company recievables		58 248		58 248
Cash and cash equivalents		60 968		60 968
	194	**169 917**	**0**	**170 111**
Financial liabilities				
Liabilties to ultimate parent company			339 186	339 186
Derivatives	1 498			1 498
	1 498	**0**	**339 186**	**340 684**

Net gains and net losses from financial assets and liabilities by category in IAS 39 are presented below.

2014/15 (12 months)	Fair value through profit or loss (Held for trading)	Loans and receivables	Other liabilities	Total
Operating profit				
Other operating income	3 434			3 434
	3 434			**3 434**
Net financial income/expense				
Put option Caleo Technologies AB	600			600
Exchange rate differences		37		37
	600	**37**	**0**	**637**

2013/14 (12 months)	Fair value through profit or loss (Held for trading)	Loans and receivables	Other liabilities	Total
Operating profit				
Other operating expenses	-4 804			-4 804
	-4 804	**0**	**0**	**-4 804**
Net financial income/expense				
Exchange rate differences		12		12
	0	**12**	**0**	**12**

2012/13 (17 months)	Fair value through profit or loss (Held for trading)	Loans and receivables	Other liabilities	Total
Operating profit				
Other operating expenses	-1 304			-1 304
	-1 304	**0**	**0**	**-1 304**
Net financial income/expense				
Exchange rate differences				0
	0	**0**	**0**	**0**

Financial instruments measured at fair value

Financial assets and liabilities which are 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 with 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, and
- Data that can be the basis of a judgment of a price, like market interest rates and yield curves.

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

Financial assets and liabilities measured at fair value in the balance sheet comprise of derivatives and options regarding acquisition of remaning shares in a subsidiary.

The Group's classification of financial assets and liabilities measured at fair value in the balance sheet or whose fair value is disclosed, is presented below. There have not been any significant transfers between the levels during the periods.

For remaining financial assets and liabilities, the carrying amounts are a fair approximation of their fair values as the maturity and/or interest maturity are shorter than three months, thus this implies that a discounting based on prevailing market conditions does not have any significant impact.

Derivatives

Foreign currency derivatives is measured in level 2. The valuation is performed by discounting of the future cash flows based on the contractual forward rate and the forward rate prevailing on the balance date.

Call option/put option

Call option referring to the acquisition of the remaining shares in subsidiaries are measured in level 3. The liability for the put option referring to the acquisition of the remaining shares in subsidiaries are measured in level 2 to the present value of future payment.

Additional purchase price

Additional purchase price referring to acquisition of shares in subsidiaries are measured in level 3.

Offsetting

The Group has no instruments that are offset in the balance sheet. There are netting agreements with all derivative counterparties. The table below presents amounts not offset in the balance sheet but within scope of such agreements.

June 30, 2015	**Amounts recognized in balance sheet**	**Financial instruments, nettning agreement**	**Net amount**
Assets			
Derivatives	3 210	-415	2 795
Liabilities			
Derivatives	-415	415	0
Total	**2 795**	**0**	**2 795**

June 30, 2014	**Amounts recognized in balance sheet**	**Financial instruments, nettning agreement**	**Net amount**
Assets			
Derivatives	0	0	0
Liabilities			
Derivatives	-4 987	0	-4 987
Total	**-4 987**	**0**	**-4 987**

June 30, 2013	**Amounts recognized in balance sheet**	**Financial instruments, nettning agreement**	**Net amount**
Assets			
Derivatives	194	-194	0
Liabilities			
Derivatives	-1 498	194	-1 304
Total	**-1 304**	**0**	**-1 304**

Managing capital

The objectives of the Group's capital management is to safeguard the Group's ability to continue its business to generate a reasonable return to shareholders and benefits to other stakeholders.

Net debt is borrowings less cash and cash equivalents. Total capital consists of total shareholders ' equity and net debt.

The company's financial goal is that the net debt shall be below 2 times EBITDA during the last 12 months. The table below discloses the net debt at year end:

	June 30, 2015	June 30, 2014	June 30, 2013
Borrowings	80 822	301 510	339 186
Less: Cash and cash equivalents	-70 974	-55 876	-60 968
Net debt	**9 848**	**245 634**	**278 218**
2 x EBITDA	**186 270**	**156 558**	**127 818**

The increase/decrease in net debt is mainly due to a share-holder contribution from CLX Networks Holding AB.

Note 5 Segment information

The Group's reportable segments consists of Enterprise division and Operator division.

- Enterprise division revenues consist of fees for handling messages for enterprises The costs consist mainly of fees to telecom operators and staff salaries.
- Operator division revenues consist mainly of software licenses, including upgrades, and support. The costs consist mainly of salaries to staff.
- Corporate mainly comprises parent company operations.

There are no differences between the accounting principles for the Group and the segments. Sales between segments are carried out at market terms.

Segment revenues and results

Segment revenues and results 2014/15 (12 months)	Enterprise division	Operator division	Corporate	Eliminations	Total
External revenues	704 040	140 354	0	0	844 394
Internal revenue	7 794	14 253	150	-22 197	0
Other operating income	17 678	11 946	0	0	29 624
Total revenue	**729 513**	**166 553**	**150**	**-22 197**	**874 018**
Work performed by the entity and capitalized	0	3 304	0	0	3 304
Cost of goods and services sold	-579 316	-16 761	0	3 557	-592 519
Other expenses	-95 823	-108 056	-6 429	18 640	-191 668
EBITDA	**54 374**	**45 040**	**-6 279**	**0**	**93 135**
Depreciation and amortization					-4 446
Financial income					890
Financial expense					-19 809
Profit before tax					**69 770**
Other segment information as of June 30 2015					
Segment intangible assets and equipment	45 596	25 002	0	0	70 597
Segment assets	261 368	173 686	1 259	-102 140	334 173
Segment liabilities	155 279	67 788	171 790	-102 140	292 717

Segment revenues and results 2013/14 (12 months)	Enterprise division	Operator division	Corporate	Eliminations	Total
External revenues	465 119	140 412	0	0	605 531
Internal revenue	11 890	10 591	0	-22 481	0
Other operating income	9 684	4 105	0	0	13 789
Total revenue	**486 693**	**155 108**	**0**	**-22 481**	**619 320**
Work performed by the entity and capitalized	0	3 824	0	0	3 824
Cost of goods and services sold	-357 474	-20 213	0	5 050	-372 637
Other expenses	-74 242	-115 400	-15	17 431	-172 228
EBITDA	**54 977**	**23 317**	**-15**	**0**	**78 279**
Depreciation and amortization					-2 048
Financial income					640
Financial expense					-32 801
Profit before tax					**44 070**
Other segment information as of June 30 2014					
Segment intangible assets and equipment	44 534	11 648	0	0	56 182
Segment assets	218 834	111 655	69 497	-91 282	308 704
Segment liabilities	102 460	41 413	353 059	-59 882	437 050

Segment revenues and results 2012/13 (17 months)	Enterprise division	Operator division	Corporate	Eliminations	Total
External revenues	313 583	164 927	0	0	478 510
Internal revenue	15 224	8 607	0	-23 831	0
Other operating income	10 726	8 504	0	0	19 230
Total revenue	**339 533**	**182 038**	**0**	**-23 831**	**497 740**
Work performed by the entity and capitalized	0	5 804	0	0	5 804
Cost of goods and services sold	-234 986	-19 975	0	2 326	-252 635
Other expenses	-60 353	-148 147	-5	21 505	-187 000
EBITDA	**44 194**	**19 720**	**-5**	**0**	**63 909**
Depreciation and amortization					-1 181
Financial income					612
Financial expense					-38 384
Profit before tax					**24 956**
Other segment information as of June 30 2013					
Segment intangible assets and equipment	42 524	8 957	0	0	51 481
Segment assets	165 289	95 682	38 109	-18 464	280 616
Segment liabilities	69 845	37 875	353 059	-18 464	442 315

Segment revenues and results 2012/13 (12 months)	Enterprise division	Operator division	Corporate	Eliminations	Total
External revenues	276 405	139 586	0	0	415 991
Internal revenue	11 069	5 475	0	-16 544	0
Other operating income	9 294	5 803	0	0	15 097
Total revenue	**296 767**	**150 864**	**0**	**-16 544**	**431 087**
Work performed by the entity and capitalized	0	4 150	0	0	4 150
Cost of goods and services sold	-206 922	-17 626	0	1 990	-222 558
Other expenses	-47 089	-119 683	-5	14 554	-152 223
EBITDA	**42 755**	**17 705**	**-5**	**0**	**60 456**

Revenues from services and products

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Messaging	704 040	465 119	313 583
Initial software licenses and upgrades	61 056	73 440	93 711
Hardware	5 398	8 148	14 420
Support	73 414	58 824	56 796
Others	486	0	0
Total	**844 394**	**605 531**	**478 510**

Revenues from external customers by region[1)]

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
EU excluding Sweden	453 901	289 740	197 224
Sweden	73 868	42 506	54 768
Outside of EU	316 625	273 285	226 518
Total	**844 394**	**605 531**	**478 510**

[1)] Revenues from external customers are based on where the customers are located.

Non-current assets[2)]

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Sweden	69 498	55 201	51 476
Canada	797	845	0
Other countries	303	136	5
Total	**70 598**	**56 182**	**51 481**

[2)] Non-current assets exclude financial instruments and deferred tax assets.

Information about major customers

No single customer contributed 10 % or more to the Group's revenue for 2014/15, 2013/14 or 2012/13.

Note 6 Other operating income and other operating expenses

Other operating income

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Exchange gains	26 057	12 912	19 152
Derivatives	3 434	0	0
Other	133	877	78
Total	**29 624**	**13 789**	**19 230**

Other operating expenses

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Exchange losses	-17 143	-11 668	-15 417
Derivatives	0	-4 804	-1 304
Other	8 519	-13 037	-4 190
Total	**-8 624**	**-29 509**	**-20 911**

Note 7 Fees to auditors

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Deloitte AB			
Audit fee	826	266	237
Audit related services	565	0	0
Tax services	80	0	0
Other fees	25	0	82
Total	**1 496**	**266**	**319**

Audit fees refer to the auditor's reimbursement for the execution of the statutory audit. This work includes the audit of the annual report and annual accounts, the administration of the Board of Directors and the CEO, and fees for advice offered in connection with the audit assignment. Audit related fees primarily involve assurance related services other than the statutory audit.

Audit related services refer primarily to advisory services related to a change to a new accounting framework.

Note 8 Leases

Operational leases – lessee

The Group has operating leases relating to office rents, office equipment, and cars. The total expensed lease payments under operating leases amounts to 7 905 TSEK (7 102) (and 4 143 2012/13). The future lease payments under non-cancellable operating leases are as follows:

Period of maturity:	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Minimum lease payments			
Within one year	3 528	3 481	4 736
Later than one year but not later than five years	124	30	258
	3 652	**3 511**	**4 994**

Note 9 Personnel costs

Average number of employees

Average number of employees 2014/15 (12 months)	Women	Men	Total
Parent company			
Sweden	0	0	0
Parent company, total	**0**	**0**	**0**
Subsidiaries			
Sweden	11	97	108
Canada	2	6	8
UAE	1	9	10
UK	3	4	7
USA	2	3	5
Subsidiaries, total	**19**	**119**	**138**
Group, total	**19**	**119**	**138**

Average number of employees 2013/14 (12 months)	Women	Men	Total
Parent company			
Sweden	0	0	0
Parent company, total	**0**	**0**	**0**
Subsidiaries			
Sweden	12	98	110
Canada	0	1	1
UAE	2	9	11
USA	1	3	4
Subsidiaries, total	**15**	**111**	**126**
Group, total	**15**	**111**	**126**

Average number of employees 2012/13 (17 months)	Women	Men	Total
Parent company			
Sweden	0	0	0
Parent company, total	**0**	**0**	**0**
Subsidiaries			
Sweden	11	84	95
UAE	1	7	8
USA	1	3	4
Subsidiaries, total	**13**	**94**	**107**
Group, total	**13**	**94**	**107**

Board members and other senior executives

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Parent company			
Women:			
Board of Directors	2	0	0
Other senior executives including CEO	0	0	0
Men:			
Board of Directors	4	8	8
Other senior executives including CEO	0	0	0
Parent company, total	**6**	**8**	**8**
Group			
Women:			
Board of Directors	0	0	0
Other senior executives including CEO	0	0	0
Men:			
Board of Directors	8	6	6
Other senior executives including CEO	4	2	2
Group, total	**12**	**8**	**8**

Salaries and other remuneration

Costs for employee benefits	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Parent company			
Salaries and other remuneration	0	0	0
Social security contributions	0	0	0
Pension costs	0	0	0
Subsidiaries			
Salaries and other remuneration	88 298	71 302	82 515
Social security contributions	20 521	18 636	24 565
Pension costs	8 483	7 174	11 194
Total salaries and remuneration in the Group	**88 298**	**71 302**	**82 515**
Total social security contributions in the Group	**20 521**	**18 636**	**24 565**
Total pension costs in the Group	**8 482**	**7 174**	**11 194**
Group, total	**117 301**	**97 112**	**118 274**

Salaries and other remuneration allocated between senior executives and other employees	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Parent company			
Salaries and other remuneration to senior executives (0 persons)	0	0	0
Salaries and other remuneration to other employees	0	0	0
Group			
Salaries and other remuneration to senior executives	4 168	3 418	4 272
Pension costs to senior executives	774	744	1 042
Salaries, other remunerations and pensions costs to senior executives, Group total	**4 942**	**4 162**	**5 314**

Remuneration to senior executives

2014/15 (12 months)	Wages	Remunerations	Variable remuneration	Other benefits	Pension costs	Total
Chairman of the Board (Erik Fröberg)	0	13	0	0	0	13
Board member (Björn Zethraeus)	577	0	0	1	42	620
Board member (Henrik Sandell)	564	0	0	2	123	689
Board member (Robert Gerstmann)	579	0	0	69	122	770
Board member (Kristian Männik)	564	0	0	35	118	717
Board member (Charlotta Falvin)	0	13	0	0	0	13
Board member (Helena Nordman-Knutson)	0	13	0	0	0	13
Board member (Johan Stuart)	0	13	0	0	0	13
Board member (Jonas Fredriksson)	0	13	0	0	0	13
Board member (Kjell Arvidsson)	559	0	0	0	193	752
CEO (Johan Hedberg)	569	0	0	20	93	682
Other senior executives (2 persons)	566	0	0	0	83	649
Total remunerations to senior executives	**3 978**	**63**	**0**	**127**	**774**	**4 942**

2013/14 (12 months)	Wages	Remunerations	Variable remuneration	Other benefits	Pension costs	Total
Board member (Björn Zethraeus)	526	0	0	41	52	619
Board member (Erik Fröberg)	0	0	0	0	0	0
Board member (Jonas Fredriksson)	0	0	0	0	0	0
Board member (Henrik Sandell)	511	0	0	65	126	702
Board member (Kjell Arvidsson)	501	0	0	1	195	697
Board member (Johan Hedberg)	500	0	0	65	124	689
Board member (Robert Gerstmann)	531	0	0	83	125	739
Board member (Kristian Männik)	513	0	0	82	121	716
CEO (Johan Hedberg)	0	0	0	0	0	0
Other senior executives (0 persons)	0	0	0	0	0	0
Total remunerations to senior executives	**3 082**	**0**	**0**	**336**	**744**	**4 162**

2012/13 (17 months)	Wages	Remunerations	Variable remuneration	Other benefits	Pension costs	Total
Board member (Björn Zethraeus)	672	0	0	102	143	917
Board member (Erik Fröberg)	0	0	0	0	0	0
Board member (Jonas Fredriksson)	0	0	0	0	0	0
Board member (Henrik Sandell)	669	0	0	107	174	950
Board member (Kjell Arvidsson)	622	0	0	1	189	812
Styreleseledamot (Johan Hedberg)	643	0	0	82	179	904
Board member (Robert Gerstmann)	590	0	0	89	177	856
Board member (Kristian Männik)	596	0	0	99	180	875
CEO (Johan Hedberg)	0	0	0	0	0	0
Other senior executives (0 persons)	0	0	0	0	0	0
Total remunerations to senior executives	**3 792**	**0**	**0**	**480**	**1 042**	**5 314**

Board members who are also senior executives recieve salary for their work as senior executives.

Pensions

The CEO's and other executives retiring age is 65 years. The pension premium shall amount to 4.7% for base salary lower than 7.5 income base amounts (SEK 58 100 for 2015), and 32% for parts of base salary exceeding 7.5 income base amounts. The pensionable salary is the base salary.

Severance pay agreements

Between the company and the CEO there is a termination period of 6 months. Upon termination no severance is paid.

Not 10 Financial income

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Interest income	260	627	510
Exchange gains, financial	0	0	101
Call option, Caleo Technologies AB	600	0	0
Other	30	13	1
Total	**890**	**640**	**612**

Not 11 Financial costs

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Interest expense	-458	-228	-325
Interest expense, ultimate parent company	-19 311	-32 572	-38 059
Exchange loss, financial	-40	-1	0
Total	**-19 809**	**-32 801**	**-38 384**

Not 12 Taxes

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Current tax			
Current tax on profit for the year	-11 041	-13 838	-2 909
Deferred tax			
Deferred tax related to temporary differences	-5 794	3 069	-4 813
Total	**-16 835**	**-10 769**	**-7 722**

Reconciliation of income tax expense

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Profit before tax	69 770	44 070	24 956
Income tax expense calculated at Swedish tax rate (22 %) (26.3% 2012/13)	-15 350	-9 695	-6 563
Effect of different tax rates of foreign subsidiaries	-46	0	0
Current tax related to imputed income on off-setting to untaxed reserves	-34	-72	-20
Effect of expenses that are non-deductible in determining taxable profit	-318	-313	-516
Effect of income that is exempt from taxation	1	0	1
Change in unrecognized tax loss carry forwards	-128	32	-245
Revaluation of deffered tax according to change in tax rate	0	0	1 016
Paid foreign current tax for which compensation has not been obtained	-960	-721	-1 870
Other	0	0	475
Total	**-16 835**	**-10 769**	**-7 722**
Income tax expense recognised in profit or loss	**-16 835**	**-10 769**	**-7 722**

Current tax recognised directly in equity amounts to 0 kSEK (0) (and -9 997 2012/13) and relates to partly taxable conditional shareholders' contribution. Deferred tax recognised directly in equity amounts to 132 kSEK (0) (and 0 2012/13) and relates to putoption Caleo Technologies AB. Current tax recognised in other comprehensive income amounts to 0 kSEK (0) (and 0 2012/13). Deferred tax recognised in other comprehensive income amounts to 0 kSEK (0) (and 0 2012/13).

Deferred tax asset and deferred tax liability

Deferred tax assets and deferred tax liabilities relate to the following:

	June 30 2015	June 30 2014	June 30 2013
Deferred tax asset			
Recognized tax losses carry forwards	71	17	14
Derivatives	0	1 098	287
Bad debt reserve	157	3 320	531
Deferred tax asset	**228**	**4 435**	**832**
Deferred tax liability			
Capitalized development expenditure	1 825	1 770	1 233
Derivatives	615	0	0
Untaxed reserves	5 722	4 778	4 782
Deferred tax liability	**8 162**	**6 548**	**6 015**

Deferred tax assets are measured at the amount it is probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilized. There are no essential unused tax losses carry forward.

The tax rate for calculating deferred tax amount to 22% all years.

Changes in recognized deferred tax assets and tax liabilities are as follows:

Deferred tax assets	**Unused tax losses carry forwards**	**Option and derivative instruments**	**Bad debts reserve**	**Total**
As at 1 februari 2012	**0**	**0**	**0**	**0**
Recognized in profit and loss	14	482	531	1 027
Acquisition	0	-195	0	-195
As at 30 juni 2013	**14**	**287**	**531**	**832**
As at 1 juli 2013	**14**	**287**	**531**	**832**
Recognized in profit and loss	3	811	2 789	3 603
As at 30 juni 2014	**17**	**1 098**	**3 320**	**4 435**
As at 1 juli 2014	**17**	**1 098**	**3 320**	**4 435**
Recognized in profit and loss	54	-1 098	-3 163	-4 207
As at 30 juni 2015	**71**	**0**	**157**	**228**

Deferred tax assets	**Unused tax losses carry forwards**	**Option and derivative instruments**	**Bad debts reserve**	**Total**
As at 1 februari 2012	**0**	**0**	**0**	**0**
Recognized in profit and loss	1 233	0	4 606	5 839
Acquisition	0	0	176	176
As at 30 juni 2013	**1 233**	**0**	**4 782**	**6 015**
As at 1 juli 2013	**1 233**	**0**	**4 782**	**6 015**
Recognized in profit and loss	537	0	-4	533
As at 30 juni 2014	**1 770**	**0**	**4 778**	**6 548**
As at 1 juli 2014	**1 770**	**0**	**4 778**	**6 548**
Recognized in profit and loss	55	747	785	1 587
Recognized directly in equity	0	-132	0	-132
Acquisition	0	0	159	159
As at 30 juni 2015	**1 825**	**615**	**5 722**	**8 162**

Note 13 Earnings per share

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Profit for the year attributable to the owners of the Parent company	53 198	33 315	17 234
Weighted average number of shares outstanding during the year, basic	1 000 000	1 000 000	1 000 000
Basic and diluted earnings per share, SEK	**53,20**	**33,32**	**17,23**

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Profit for the year attributable to the owners of the Parent company	53 198	33 315	17 234
Interest expense on preference shares	-62	0	0
Adjusted profit for the year attributable to the owners of the Parent company	**53 136**	**33 315**	**17 234**
Weighted average number of shares, basic	1 000 000	1 000 000	1 000 000
Dilution effect from preference shares	81 081	0	0
Weighted average number of shares outstanding during the year, diluted	1 001 111	1 000 000	1 000 000
Diluted earnings per share, SEK	**53,08**	**33,32**	**17,23**

Basic earnings per share after share split

The earnings used in the calculation of diluted earnings per share after share split are as follows:

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Profit for the year attributable to the owners of the Parent company	53 198	33 315	17 234
Weighted average number of shares, basic	1 000 000	1 000 000	1 000 000
Weighted average number of shares, basic after share split	30 000 000	30 000 000	30 000 000
Basic earnings per share, SEK	**1,77**	**1,11**	**0,57**

For more information about the share split, see note 30.

Note 14 Composition of the Group

The Group has the following subsidiaries as of June 30, 2015:

Name	Identity no. and place of incorporation and operation	Principal activity	Ownership (%)
CLX Networks AB	556747-5495, Sweden	Development and sales of enterprise communications	100 %
CLX Networks South Africa (PTY) Ltd	2013/128948/07, South Africa	Procurement of messaging services	100 %
CLX Networks Nigeria Limited	1210794, Nigeria	Procurement of messaging services	99,99 %
CLX Networks Italy S.R.L.	4265200230, Italy	Procurement of messaging services	100 %
CLX Networks Inc.	20-3937075, USA	Sales and procurement of messaging services	100 %
CLX Networks Canada	9294-4933, Canada	Development, sales and procurement of messaging services	100 %
CLX Networks UK LTD	09068965, UK	Procurement of messaging services	100 %
CLX Networks Singapore PTE. LTD.	201423573W, Singapore	Sales and procurement of messaging services	100 %
CLX Networks AB Telekomünikasyon LTD. ŞTİ.	866349, Turkey	Sales and procurement of messaging services	51 %
Symsoft AB	556353-1333, Sweden	Development and sales of cloud platforms	100 %
Caleo Technologies AB	556627-0780, Sweden	Development of billing support systems (BSS)	67 %

The Group has the following subsidiaries as of June 30, 2014:

Name	Identity no. and place of incorporation and operation	Principal activity	Ownership (%)
CLX Networks AB	556747-5495, Sweden	Development and sales of enterprise communications	100 %
CLX Networks Italy S.R.L.	4265200230, Italy	Procurement of messaging services	100 %
CLX Networks Inc.	20-3937075, USA	Sales and procurement of messaging services	100 %
CLX Networks Canada	9294-4933, Canada	Development, sales and procurement of messaging services	100 %
CLX Networks AB Telekomünikasyon LTD. ŞTİ.	866349, Turkey	Sales and procurement of messaging services	51 %
Symsoft AB	556353-1333, Sweden	Development and sales of cloud platforms	100 %

The Group has the following subsidiaries as of June 30, 2013:

Name	Identity no. and place of incorporation and operation	Principal activity	Ownership (%)
CLX Networks AB	556747-5495, Sweden	Development and sales of enterprise communications	100 %
CLX Networks Inc.	20-3937075, USA	Sales and procurement of messaging services	100 %
Symsoft AB	556353-1333, Sweden	Development and sales of cloud platforms	100 %

The Group has no significant non-controlling interests.

Note 15 Intangible assets

	Goodwill	Capitalized development expenditure	Total
Cost at 1 February 2012	**0**	**0**	**0**
The Group's formation (note 28)	44 487	0	44 487
Capitalised development costs	0	5 804	5 804
Cost at 30 June 2013	**44 487**	**5 804**	**50 291**
Accumulated amortisations at 1 February 2012	**0**	**0**	**0**
Amortisation	0	-201	-201
Accumulated amortisation at 30 June 2013	**0**	**-201**	**-201**
Carrying amount at 30 June 2013	**44 487**	**5 603**	**50 090**
Cost at 1 July 2013	**44 487**	**5 804**	**50 291**
Acquisitions (note 27)	951	998	1 949
Capitalised development costs	0	3 824	3 824
Cost at 30 June 2014	**45 438**	**10 626**	**56 064**
Accumulated amortisation at 1 July 2013	**0**	**-201**	**-201**
Amortisation	0	-1 383	-1 383
Accumulated amortisation at 30 June 2014	**0**	**-1 584**	**-1 584**
Carrying amount at 30 June 2014	**45 438**	**9 042**	**54 480**
Cost at 1 July 2014	**45 438**	**10 626**	**56 064**
Acquisitions (note 27)	11 307	0	11 307
Capitalised development costs	0	3 329	3 329
Currency adjustments	54	0	54
Cost at 30 June 2015	**56 799**	**13 955**	**70 754**
Accumulated amortisation at 1 July 2014	**0**	**-1 584**	**-1 584**
Amortisation	0	-3 270	-3 270
Accumulated amortisation at 30 June 2015	**0**	**-4 854**	**-4 854**
Carrying amount at 30 June 2015	**56 799**	**9 101**	**65 900**

The total amount of research and development expenditure recognised as an expense during the period amounts to 30 930 kSEK (28 221) and 38 500 kSEK for the period 2012/13 (17 months).

Impairment test for goodwill

The carrying amount of goodwill has been allocated to the following cash-generating units:

Goodwill for each cash-generating unit	2015-06-30	2014-06-30	2013-06-30
CLX Networks AB	42 009	42 009	42 009
Symsoft AB	2 478	2 478	2 478
Caleo Technologies AB	11 307	0	0
Voltari, Inc.	1 005	951	0
Balance at year-end	**56 799**	**45 438**	**44 487**

The cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount of a cash-generating unit is determined based on value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period. In the assessment of future cash flows assumptions are made about sales growth, operating margin, and discount rate. The estimated growth rate and the forecasted operating margin is based on the company's budgets and forecasts for each unit. For CLX Networks AB and Symsoft AB a discount rate of 10.0% (10.0%) (and 10.0% per June 30, 2013) before taxes is used, which reflect specific risks related to the asset. For Caleo Technologies AB a discount rate of 12.0% is used. After the five-year period the applied growth rate amount to 2% (2%) (and 2% per June 30 2013) for CLX Networks AB and Symsoft AB, and 3% for Caleo Technologies AB, which coincides with the Group's long-term assumption of inflation and long-term market growth.

As no major changes in in market interest rates have taken place during the period February 1, 2012 - June 30, 2015, and no other factors that to any significant extent affect the risk premium in technology companies changed during this period, the Company does not believe that there is any reason to use different discount rates for the different years. The Company also believes that Symsoft and CLX Networks AB should be assigned the same risk premium, based on the fact the two companies both can be categorized as technology companies in a growth phase, but with strong and stable cash flows.

Caleo Technologies AB is in an earlier phase of development, which justifies a somewhat higher risk premium.

An increase in the discount rate by 2% for Symsoft AB and CLX Networks AB would not result in any impairment need.

Note 16 Equipment

Cost at 1 February 2012	**0**
The Group's formation (note 28)	15 034
Additions	787
Disposals	-805
Cost at 30 June 2013	**15 016**
Accumulated depreciation at 1 February 2012	**0**
The Group's formation (note 28)	-13 446
Disposals	801
Depreciation	-980
Accumulated depreciation at 30 June 2013	**-13 625**
Carrying amount at 30 June 2013	**1 391**
Cost at 1 July 2013	**15 016**
Acquisitions	158
Additions	948
Cost at 30 June 2014	**16 122**
Accumulated depreciation at 1 July 2013	**-13 625**
Acquisitions	-130
Depreciation	-665
Accumulated depreciation at 30 June 2014	**-14 420**
Carrying amount at 30 June 2014	**1 702**
Cost at 1 July 2014	**16 122**
Acquisitions	235
Additions	4 124
Disposals	-186
Cost at 30 June 2015	**20 295**
Accumulated depreciation at 1 July 2014	**-14 420**
Depreciation	-1 177
Accumulated depreciation at 30 June 2015	**-15 597**
Carrying amount at 30 June 2015	**4 698**

Note 17 Accounts receivables

kSEK	June 30 2015	June 30 2014	June 30 2013
Accounts receivables, gross amount	136 060	89 849	53 115
Allowance for doubtful debts	-743	-15 092	-2 414
Accounts receivables, net after allowance for doubtful debts	**135 317**	**74 757**	**50 701**

It is management's assessment that the carrying amount of accounts receivables, net after allowance for doubtful debts corresponds to fair value.

Movement in the allowance for doubtful debts

	June 30 2015	June 30 2014	June 30 2013
Balance at beginning of year	-15 092	-2 414	-1 103
Write-off of allowance	4 772	1 094	1 103
Additional allowance for doubtful debts during the year	-743	-13 772	-2 414
Amounts recovered during year	10 320	0	0
Total	**-743**	**-15 092**	**-2 414**

During 2013/14 a significant allowance related to receivables towards two customers was recognized, one of the customers had filed for bankruptcy. In 2014/15 the full amount was collected from this customer as the bankruptcy estate had been acquired, corresponding to the main portion of the amounts recoverd during the year.

Age of accounts receivables

	June 30 2015	June 30 2014	June 30 2013
Not overdue	105 458	61 457	41 702
Due 30 days	18 348	5 923	7 518
Due 31-60 days	7 455	2 834	2 671
Due 61-90 days	2 250	1 285	73
Due over 90 days	2 549	18 350	1 151
Totalt	**136 060**	**89 849**	**53 115**

The Group's assessment is that the payment will be obtained for accounts receivables that are past due but not written down since the customers payment historically is good.

Note 18 Derivatives

	June 30 2015	June 30 2014	June 30 2013
Currency exchange forwards			
-asset	3 210	0	194
-liability	415	4 987	1 498
Call option Caleo Technologies AB			
-asset	600	0	0
Total	**3 395**	**-4 987**	**-1 304**

For further information regarding the derivative instruments, please see note 4.

Note 19 Prepaid expenses and accrued income

	June 30 2015	June 30 2014	June 30 2013
Prepaid rent	656	889	1 220
Accrued interest income	16	214	295
Accrued income	31 284	67 925	46 100
Other	7 689	4 236	3 083
Total	**39 645**	**73 264**	**50 698**

Note 20 Cash and cash equivalents

	June 30 2015	June 30 2014	June 30 2013
Liquid assets with banks and other credit institutions	70 974	55 876	60 968
Totalt	**70 974**	**55 876**	**60 968**

Note 21 Share capital

At the beginning of year 2014/15, 2013/14 and 2012/13 the share capital amounted to 1 000 000 shares and a value per share of 0.05 SEK.

On June 17, 2015 it was resolved on a new share issue in which the principal owner CLX Networks Holding AB ("Parent") subscribed for 81 081 preference shares against payment through set-off of the parent company's receivable from CLX Communications AB, 150 000 000 SEK. Through the rights issue the share capital increased by 4 054,05 kronor to a total of 54 054,05 SEK. The preference shares have priority over ordinary shares to receive funds as dividend, or the like, until a 150 million kronor, plus an annual adjustment factor of three (3) percent has been paid to the owners of preference shares. In case of a public offering of shares in CLX Communications AB, then all preference shares will be converted into ordinary shares, meaning that all shares in the company have the same right to dividends.

Note 22 Other contributed capital

In 2012/13 a conditional shareholders contribution was received totalling 73 000 kSEK, which was partly treated as taxable income hence corresponding tax effect (9 997 kSEK) has reduced the carrying amount of the received contribution. As of June 30th 2015 the conditional shareholders contribution of 38 000 kSEK has been refunded in full and the remaining conditional shareholders contribution of 35 000 kSEK was converted to an unconditional shareholders contribution. For the financial year 2014/15 other paid-in capital has increased by 149,996 kSEK through premiums on the issue of 81 081 preference shares, see note 21 for additional disclosure.

Note 23 Translation reserve

Translation reserves relate to currency exchange differences on translation of foreign operations to SEK, which is recognized in other comprehensive income.

Note 24 Non-current liabilities

	June 30 2015	June 30 2014	June 30 2013
Bank loan	79 851	0	0
Liabilities to ultimate parent company (note 29)	971	301 510	339 186
Deferred purchase consideration Caleo Technologies AB (note 27)	4 669	0	0
Liabilitiy put option Caleo Technologies AB (note 4)	600	0	0
Derivatives	0	737	183
Deferred tax liabilities (note 12)	8 162	6 548	6 015
Total	**94 253**	**308 795**	**345 384**

The bank loan carries a variable interest rate which currently is STIBOR90 with a margin of 1.25% with a minimum interest of 1.25%, and is amortized with 6 700 kSEK per quarter. The credit agreements contain standard provisions and commitments, including a provision on the ownership change and requirements for the maintenance of a maximum net debt / EBITDA ratio (earnings before interest, tax, depreciation and amortization) and a minimum equity ratio. See Note 26 for the collateral related to the bank loan.

The liabiltiy to the ultimate parent company has no maturity date with an interest rate of 10 % for the period between April 17th 2012 through December 31st 2014 and an interest rate of 3 % for the period between January 1st 2015 and June 30th 2015.

The Group has an overdraft facility amounting to 100 000 kSEK (40 000) (and 40 000 per June 30, 2013). The overdraft facility was not utilized at either June 30, 2015, June 30, 2014 or June 30, 2013.

Note 25 Accrued expenses and prepaid income

	June 30 2015	June 30 2014	June 30 2013
Accrued salaries	9 169	6 149	5 013
Accrued vacation pays	8 327	7 919	7 605
Accrued social costs	6 021	5 185	7 333
Deferred income, other	48 152	31 838	21 380
Deferred income, support	4 826	4 109	4 479
Accrued costs for listing	4 623	0	0
Other	10 283	6 141	2 791
Total	**91 401**	**61 341**	**48 602**

Note 26 Pledged asses and contingent liabilities

	June 30 2015	June 30 2014	June 30 2013
Pledged assets			
Corporate mortgages	45 000	45 000	45 000
Restricted funds and guarantees	5 630	548	3 496
Pledged capital insurance	0	0	226
Shares in Symsoft AB and CLX Networks AB	211 986	0	0
Totalt	**262 616**	**45 548**	**48 722**

Corporate mortgages and shares in Symsoft AB and CLX Networks AB are generally pledged towards the Group's commitment to Danske Bank Sweden. Blocked funds in bank accounts are pledged for payment guarantees the companies have set out.

Note 27 Business combinations

On 28 February 2014 the Group acquired the assets of Voltari Inc. for 1 999 kSEK. This acquisition was aimed at reinforcing the Group's position in the North American market.

On 8 January 2015 the Group acquired 66.67% of the share capital of Caleo Technologies AB for 4 669 kSEK. This acquisition was aimed at obtaining solutions and expertise in BSS area.

Total consideration	2014/15 Caleo Technologies AB	2013/14 Voltari, Inc.
Paid consideration	4 669	1 999
Contingent consideration	4 669[1]	0
Consideration to transfer, total	**9 338**	**1 999**

[1] According to the agreement on contingent consideration, the parent company shall pay the sellers an additional 4,669 kSEK on July 8, 2016 if a number of conditions relating to earnings and staff are met. Management believes that it is probable that the contingent consideration will be paid.

Acquisition related expenses amount to less than 1 MSEK and has been recognised as other expenses in the profit and loss statement.

Assets acquired and liabilities recognised at the date of acquisition

	2014/15 Caleo Technologies AB	2013/14 Voltari, Inc.
Non-current assets		
Intangible assets		1 011
Property, plant and equipment	182	29
Current assets		
Inventories		0
Accounts receivables	1 149	0
Other current receivables	849	8
Cash and equivalents	2 114	0
Non-current liabilities		
Deferred tax liabilities	-159	0
Current liabilities		
Accounts payables	-201	0
Current income tax liabilities	-12	0
Other current liabilities	-1 222	0
Identified assets and liabilities, net	**2 700**	**1 048**
Consideration to transfer, total	**9 338**	**1 999**
Estimated purchase price relating to non-controlling interests in the method of full goodwill	4 669	0
Goodwill	**11 307**	**951**

Goodwill arose from the acquisition of Caleo Technologies AB because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workable workforce of the companies. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arose for similar reasons at the acquisition of staff and operating activities from Voltari,Inc

Only the goodwill arising from the asset acquisition is expected to be deductible for tax purposes.

Net cash flow on acquisition

	2014/15 Caleo Technologies AB (66,7%)	2013/14 Voltari Inc.
Agreed consideration	4 669	1 999
Paid compensation	**-4 669**	**-1 999**
Cash and cash equivalents acquired reported in investing activities	2 114	0
Total cash flow, net	**-2 555**	**-1 999**

Impact of the acquisition on the Group's profit or loss

The acquisition of Caleo Technologies AB has not had any material impact on the Group's profit for the reporting period.

Note 28 Business combinations involving entities under common control

The parent company's acquisition of the subsidiaries Symsoft AB and CLX Networks AB from the ultimate parent company on April 16th 2012 are considered to be acquired under so-called Common Control.

IFRS 3 Business Combinations has therefore not been applied. Instead, the parent company used the ultimate parent company's original acquisition values of the transferred subsidiaries. As a consequence goodwill amounts related to Symsoft AB and CLX Networks AB are represented by goodwill amounts recognized by the ultimate parent company and no new goodwill was recognized as a result of this transaction under common control.

For the Group, this has meant that the difference between what the parent company paid and the ultimate parent company's acquisition values have been recognized directly in equity. The Group's equity has also been affected by the fact that the equity in the acquired subsidiaries changing between the different acqusition dates.

The effect on the Group's equity at the acquisition date April 16th, 2012 becomes (kSEK):

		Translation reserve	Retained earnings incl. net income	Total equity attributable to parent company shareholders
By the parent company paid purchase price of shares in subsidiaries	349 950			
Net asset value as of acqustion date	108 046			
Total effect on the Group's equity at the group's formation		**-78**	**-241 826**	**-241 904**

Net cash flow on acquisition

	2012/13
Agreed consideration	349 950
Received vendor note	-315 000
Offsetting against receivable towards parent company	-34 950
Paid compensation	**0**
Cash and cash equivalents acquired reported in investing activities	31 223
Total cash flow, net	**31 223**

Note 29 Transactions with related parties

Transactions between the Company and its subsidiaries have been eliminated on consolidation and thus not included in this note. Details of transactions between the Group and other related parties are disclosed below.

Purchase of goods and services

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
MI Carrier Services AB	160	140	162
Total	**160**	**140**	**162**

MI Carrier Services AB has performed some consultancy services within the area of telecom licensing. The company is owned by the founders to CLX Networks AB. Sales and purchases of goods and services are based on current market terms and conditions.

Receivables from related parties

	June 30 2015	June 30 2014	June 30 2013
CLX Networks Holding AB	0	38 000	58 248
Total	**0**	**38 000**	**58 248**

Debts to related parties

	June 30 2015	June 30 2014	June 30 2013
Loan from CLX Networks Holding AB	971	301 510	339 186
Totalt	**971**	**301 510**	**339 186**

Loans from CLX Networks Holding AB has no expiration date and has had 10% interest rate during the period April 17, 2012 - December 31, 2014 and 3% interest rate during the period 1 January, 2015 - June 30, 2015.

Disclosures regarding remuneration to senior executives are presented in note 9.

Note 30 Significant events after the financial year

After the financial year, the Company changed its name from Seitse 1 Holding AB to CLX Communications AB.

After the financial year, an extraordinary general meeting of the company on 31 August 2015 it was resolved to increase the company's share capital with 3 189 188.95 SEK to 3 243 243 SEK and to split each existing share into 30 new shares, which increased the number of shares in the company to 32 432 430 (30 000 000 basic shares and 2 432 430 preference shares).

No other significant events occurred after the financial year.

Parent company, income statement

kSEK	Note	1 Jul 2014– 30 Jun 2015 (12 months)	1 Jul 2013– 30 Jun 2014 (12 months)	1 Feb 2012– 30 Jun 2013 (17 months)
Net sales	2	150	0	0
		150	**0**	**0**
Operating expenses				
Other external expenses	3,4	-6 430	-15	-5
Operating profit		**-6 280**	**-15**	**-5**
Income from financial items				
Income from shares in Group companies	5	0	31 399	0
Other interest income and similar profit/loss items	6	-19 502	-32 572	-38 059
Profit after financial items		**-25 782**	**-1 188**	**-38 064**
Appropriations	7	**27 105**	**32 572**	**0**
Profit before tax		**1 323**	**31 384**	**-38 064**
Tax on profit for the year	8	-291	3	14
Profit for the year		**1 032**	**31 387**	**-38 050**

Parent company statement of other comprehensive income

kSEK	Note	1 Jul 2014– 30 Jun 2015 (12 months)	1 Jul 2013– 30 Jun 2014 (12 months)	1 Feb 2012– 30 Jun 2013 (17 months)
Profit for the year		1 032	31 387	-38 050
Other comprehensive income		0	0	0
Total comprehensive income for the year		**1 032**	**31 387**	**-38 050**

Parent company balance sheet

Assets

kSEK	Note	30 Jun 2015	30 Jun 2014	30 Jun 2013
Non-current assets				
Financial assets				
Shares in Group companies	9	349 950	349 950	349 950
Receivables from Group companies		0	38 000	38 000
Deferred tax asset	8	0	17	14
		349 950	**387 967**	**387 964**
Total non-current assets		**349 950**	**387 967**	**387 964**
Current assets				
Short-term receivables				
Receivables from Group companies		0	31 399	0
Prepaid expenses and accrued income		413	0	0
		413	**31 399**	**0**
Cash and bank balances	**10**	**846**	**80**	**95**
Total current assets		**1 259**	**31 479**	**95**
Total assets		**351 209**	**419 446**	**388 059**

Equity and liabilities

kSEK	Note	30 Jun 2015	30 Jun 2014	30 Jun 2013
Equity				
Restricted equity				
Share capital		54	50	50
		54	**50**	**50**
Non-restricted equity				
Profits carried forward		178 333	34 950	73 000
Profit for the year		1 032	31 387	-38 050
		179 365	**66 337**	**34 950**
Total equity		**179 419**	**66 387**	**35 000**
Non-current liabilities	11			
Liabilities to credit institutions		79 851	0	0
Liabilities to Group companies		971	301 510	315 000
		80 822	**301 510**	**315 000**
Current liabilities				
Prepayments from customers		2 064	0	0
Liabilities to parent company		0	0	24 186
Liabilities to Group companies		84 007	51 549	13 873
Tax liabilities		274	0	0
Accrued expenses and prepaid income	12	4 623	0	0
		90 968	**51 549**	**388 059**
Total equity and liabilities		**351 209**	**419 446**	**388 059**
Memorandum items	13			
Pledged assets		**349 950**	**0**	**0**
Contingent liabilities		**0**	**0**	**0**

Parent company statement of changes in equity

	Restricted equity	None-restricted equity		
	Share capital	Profits carried forward	Profit for the year	Total equity
Opening balance at 1 February 2012	**50**	**0**	**0**	**50**
Profit for the year			-38 050	-38 050
Total comprehensive income		**0**	**-38 050**	**-38 050**
Transactions with owners:				
Received conditional shareholders' contribution		73 000		73 000
Total transactions with owners	**0**	**73 000**		**73 000**
Closing balance at 30 June 2013	**50**	**73 000**	**-38 050**	**35 000**

	Restricted equity	None-restricted equity		
	Share capital	Profits carried forward	Profit for the year	Total equity
Opening balance at 1 July 2013	**50**	**73 000**	**-38 050**	**35 000**
Appropriation of last year's profit for the year		-38 050	38 050	0
Profit for the year			31 387	31 387
Total comprehensive income		**0**	**31 387**	**31 387**
Closing balance at 30 June 2014	**50**	**34 950**	**31 387**	**66 387**

	Restricted equity	None-restricted equity		
	Share capital	Profits carried forward	Profit for the year	Total equity
Opening balance at 1 July 2014	**50**	**34 950**	**31 387**	**66 387**
Appropriation of last year's profit for the year		31 387	-31 387	0
Profit for the year			1 032	1 032
Total comprehensive income		**0**	**1 032**	**1 032**
Transactions with owners:				
Share issue	4	149 996		150 000
Repayment of conditional shareholder's contribution		-38 000		-38 000
Total transactions with owners	**4**	**111 996**	**0**	**112 000**
Closing balance at 30 June 2015	**54**	**178 333**	**1 032**	**179 419**

Parent company cash flow statement

kSEK	Note	1 Jul 2014–30 Jun 2015 (12 months)	1 Jul 2013–30 Jun 2014 (12 months)	1 Feb 2012–30 Jun 2013 (17 months)
Cash flows from operating activities				
Operating profit		-6 279	-15	-5
Received contribution		0	31 399	0
Interest paid		-19 502	-56 758	-13 873
Cash-flow from operating activities before changes in working capital		**-25 781**	**-25 374**	**-13 878**
Changes in working capital				
Decrease(+)/Increase(-) in other short-term receivables		-563	0	0
Decrease(-)/Increase(+) in other short-term liabilities		6 687	0	0
Cash-flows from operating activities		**-19 657**	**-25 374**	**-13 878**
Financing activities				
Repayment of loans from parent company	11	-150 539	-13 490	0
Proceeds from borrowings		143 857	6 277	13 923
Received Group contribution		7 105	32 572	0
Cash-flow from financing activities		**20 423**	**25 359**	**13 923**
Cash-flow for the year		**766**	**-15**	**45**
Cash and cash equivalents at the beginning of the year		**80**	**95**	**50**
Cash and cash equivalents at the end of the year	10	**846**	**80**	**95**

Parent company notes

Note 1 Accounting policies

The parent company has prepared its financial statements in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 *Accounting for Legal Entities*. According to RFR 2, the parent company is required to apply all International Financial Standards endorsed by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act.

Adoption of RFR 2

From 1 July 2014 the parent company applies RFR 2 *Accounting for Legal Entities* and the Swedish Annual Accounts Act. Previously, the parent company applied the accounting rules stipulated by the Swedish Accounting Standards Board BFNAR 2012: 1 Annual report and consolidated financial statements ("K3") and the Swedish Annual Accounts Act. RFR 2 is applied retrospectively, thus the comparatives for 2013/2014 and 2012/2013 have been restated according to RFR 2. The transition date to RFR 2 is 1 February 2012. The adoption of RFR 2 has not had any material impact on the parent company's financial statements, earnings or cash flow.

Differences between parent company and group accounting policies are disclosed below.

Classification and presentation

The financial statements of the parent company have been prepared in accordance with the Swedish Annual Accounts Act. The significant difference compared to IAS 1 *Presentation of Financial Statements* which is applied for the Group's financial statements is mainly the presentation of financial income and expenses, non-current assets, equity and provisions.

Subsidiaries

Shares in subsidiaries are carried at cost. Dividends from subsidiaries are recognized as income when the right to receive the dividend is considered certain, and can be measured reliably.

Note 2 Net sales

	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Purchases	0,0 %	0,0 %	0,0 %
Sales	100,0 %	0,0 %	0,0 %

Note 3 Other operating expenses

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Listing costs	-4 623	0	0
Other	-1 807	-15	-5
Sum	**-6 430**	**-15**	**-5**

Note 4 Fees to the auditor

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Deloitte AB			
Audit services	660	10	10
Audit related services	565	0	0
Tax related services	80	0	0
Sum	**1 305**	**10**	**10**

Note 5 Income from shares in Group companies

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Dividend	0	31 399	0
Sum	**0**	**31 399**	**0**

Note 6 Interest expense and similar profit/loss items

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Interest expenses to Group companies	-19 502	-32 572	-38 059
Sum	**-19 502**	**-32 572**	**-38 059**

Note 7 Appropriations

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Received Group contribution	27 105	32 572	0
Sum	**27 105**	**32 572**	**0**

Note 8 Tax on profit for the year

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Current tax			
Current tax on profit for the year	-274	0	0
Deferred tax			
Deferred tax related to temporary differences	-17	3	14
Sum	**-291**	**3**	**14**

Reconciliation of income tax expense

kSEK	2014/15 (12 months)	2013/14 (12 months)	2012/13 (17 months)
Profit before tax	1 323	31 384	-38 064
Income tax expense calculated at Swedish tax rate (22%) (26.3% 2012/13)	-291	-6 905	10 011
Current tax booked directly against equity	0	0	-9 994
Tax effect of non-taxable dividend	0	6 908	0
Revaluation of deferred tax according to change in tax rate	0	0	-3
Sum	**-291**	**3**	**14**
Recognized tax expense for the year	**-291**	**3**	**14**

Current tax recognized directly against equity amounts to SEK 0 thousand (0) (and SEK -9,994k in 2012/2013) and refers to the tax component of the shareholder contribution received. Deferred tax recognized directly against equity amounts to SEK 0 thousand (0) (and SEK 0 in 2012/2013). Current tax recognised in other comprehensive income amounts to SEK 0 thousand (0) (and SEK 0 in 2012/2013). Deferred tax recognized in other comprehensive income amounts to SEK 0 thousand (0) (and SEK 0 in 2012/2013).

Deferred tax asset and deferred tax liability

The parent company's deferred tax assets and deferred tax liabilities relate to the following:

kSEK	30 Jun 2015	30 Jun 2014	30 Jun 2013
Deferred tax asset			
Unused tax loss carryforwards	0	17	14
Deferred tax liability	**0**	**17**	**14**
Deferred tax asset/liability, net	**0**	**17**	**14**

Deferred tax assets are measured at no higher than the amount likely to be recovered based on current and future taxable profit.

The tax rate for calculating deferred tax is 22.0% for all years.

Note 9 Shares in Group companies

Opening balance, cost, at 1 February 2012	**0**
Acquisition of CLX Networks AB	249 950
Acquisition of Symsoft AB	100 000
Closing balance, accumulated cost at 30 June 2013	**349 950**
Carrying amount at 30 June 2013	**349 950**
Opening balance, cost, at 1 July 2013	**349 950**
Closing balance, accumulated cost, at 30 June 2014	**349 950**
Carrying amount at 30 June 2014	**349 950**
Opening balance, cost, at 1 July 2014	**349 950**
Closing balance, accumulated cost, at 30 June 2015	**349 950**
Carrying amount at 30 June 2015	**349 950**

The company's holdings of shares in Group companies

Company name	Share of equity[1]	Number of shares	30 Jun 2015	30 Jun 2014	30 Jun 2013
CLX Networks AB	100 %	1 000	249 950	249 950	249 950
Symsoft AB	100%	637 141	100 000	100 000	100 000
Sum			**349 950**	**349 950**	**349 950**

[1] The share of equity coincides with the share of voting rights.

Company name	Registration number	Registered office
CLX Networks AB	556747-5495	Stockholm
Symsoft AB	556353-1333	Stockholm

Note 10 Cash and cash equivalents in cash flow

kSEK	30 Jun 2015	30 Jun 2014	30 Jun 2013
Available balances with banks and other credit institutions	846	80	95
Total	**846**	**80**	**95**

Note 11 Non-current liabilities

kSEK	30 Jun 2015	30 Jun 2014	30 Jun 2013
Bank loan	79 851	0	0
Liabilities to the parent company	971	301 510	315 000
Carrying amount	**80 822**	**301 510**	**315 000**

The bank loan accrues interest at a variable rate, currently STIBOR90 + 1.25% with an interest floor of 1.25%. The loan is paid down at SEK 6,700 thousand per quarter. The loan agreements contain customary provisions and commitments, including a provision on ownership changes and a requirement to maintain a maximum net debt/EBITDA ratio (earnings before interest, taxes, depreciation and amortization) and a minimum equity/assets ratio. Refer to Note 13 concerning collateral linked to the bank loan.

The loan from CLX Networks Holding AB has no fixed due date and accrued interest at 10% during the period of 17 April 2012-31 December 2014 and at 3% during the period of 1 January 2015-30 June 2015.

The parent company has an overdraft facility that has not been utilized. The overdraft limit is SEK 100,000 thousand as of 30 June 2015 and was 0 as of the 30 June 2014 and 30 June 2013 reporting dates.

Note 12 Accrued expenses and prepaid income

kSEK	30 Jun 2015	30 Jun 2014	30 Jun 2013
Listing expenses	4 623	0	0
Carrying amount	**4 623**	**0**	**0**

Note 13 Memorandum items

kSEK Pledged assets	30 Jun 2015	30 Jun 2014	30 Jun 2013
Shares and participating interests	349 950	0	0
Total	**349 950**	**0**	**0**

The Parent Company has provided security in the form of shares in CLX Networks AB and Symsoft AB for the loan at Danske Bank.

Note 14 Related party transactions

Transactions between the parent company and its subsidiaries, which are related parties to the parent company and disclosures pertaining to transactions between other related parties are presented below.

Sales of goods and service	1 Jul 2014–30 Jun 2015	1 Jul 2013–30 Jun 2014	1 Feb 2012–30 Jun 2013
Symsoft AB	75	0	0
CLX Networks AB	75	0	0
Total	**150**	**0**	**0**

Sales and purchases of goods and services are on market terms.

Claims against related parties	30 Jun 2015	30 Jun 2014	30 Jun 2013
CLX Networks Holding AB	0	38 000	38 000
CLX Networks AB	0	31 399	0
Total	**0**	**69 399**	**38 000**

The parent company's claim as of 30 June 2014 referred to an anticipated dividend.

Debts to related parties	30 Jun 2015	30 Jun 2014	30 Jun 2013
Symsoft AB	54 356	0	5 786
CLX Networks AB	29 651	51 549	8 086
Loan from CLX Networks Holding AB	971	301 510	339 186
Total	**84 978**	**353 059**	**353 058**

The loan from CLX Networks Holding AB has no fixed due date and has accrued interest at 10% during the period of 17 April 2012- 31 December 2014 and at 3% during the period of 1 January 2015-30 June 2015. Loans from the subsidiaries CLX Networks AB and Symsoft AB are interest-free and have no fixed due date.

Refer to Note 9 for further information about holdings in subsidiaries.

Note 15 Events after the reporting date

After the reporting date, the company changed its name from Seitse 1 Holding AB to CLX Communications AB.

On 31 August, an extraordinary general meeting 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 1:30 stock split, which increased the number of shares in the company to 32,432,430 (30,000,000 common shares and 2,432,430 preference shares).

The board of directors approved the annual report and consolidated financial statements for publication on 1 September 2015. The consolidated incomes statement and balance sheet and the parent company's income statement and balance sheet will be subject to adoption by the annual general meeting on 7 September 2015.

The Board of Directors and the CEO hereby certify that the annual report was prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 Reporting of Legal Entities and that it provides a fair presentation of the company's financial position and earnings and that the management report provides a fair presentation of the company's operations, financial position and earnings and that it describes significant risks and uncertainties facing the company. The Board of Directors and the CEO hereby certify that the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a fair presentation of the Group's operations, financial position and earnings and that the management report describes significant risks and uncertainties facting the companies included in the Group.

Stockholm den 1 september 2015

Erik Fröberg
Styrelsens ordförande

Kjell Arvidsson

Charlotta Falvin

Jonas Fredriksson

Helena Nordman-Knutson

Johan Stuart

Johan Hedberg
Chief Executive Officer

Our audit report was submitted on

Deloitte AB

Erik Olin
Authorized Public Accountant

Auditor's Report

To the annual meeting of the shareholders of CLX Communications AB, Corporate Identity Number 556882-8908

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of CLX Communications AB for the year 1 July 2014–30 June 2015. The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 22–83.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

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 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts 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 30 June 2015 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the 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.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of CLX Communications AB for the year 1 July 2014–30 June 2015.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm 1 september 2015
Deloitte AB

Erik Olin
Auktoriserad revisor

Corporate Governance

Introduction

CLX Communications AB was founded 1 February 2012 and is the parent company of the CLX Communications Group ("CLX Communications"). CLX Communications is a privately held company. This document is not a formal corporate governance report for the 2014/15 financial year; it is a report of how corporate governance has been pursued in CLX Communications during the period. The corporate governance report has not been examined by the company's auditors. The corporate governance report is not part of the company's annual report.

Principles of corporate governance

In addition to the corporate governance principles based upon law or other statute, CLX is in the process of implementing the Swedish Corporate Governance Code ("the Code"). Please refer to the Swedish Corporate Governance Board's website, www.bolagsstyrning.se. The process for application of the Code was begun in conjunction with the extraordinary general meeting held 21 May 2015. Relevant internal corporate governance documents and policies have been drafted and implemented to ensure due governance of the company. The internal regulations for governance of the company consist of the Articles of Association, the Board Charter (including instructions for Board committees), the CEO Instruction, instructions for financial reporting and other policies and guidelines.

Shareholders

The company had 28 shareholders as of 30 June 2015.

Significant shareholdings

As of 30 June 2015, CLX Networks Holding AB was the largest shareholder, holding 97.28% of the shares in CLX Communications. CLX Networks Holding AB is owned by the founders of CLX Networks AB and by Neqst 1 AB.

Voting rights

The Articles of Association of CLX Communications impose no limits as to how many votes each shareholder may cast at a general meeting.

Articles of Association

The current Articles of Association (see the company's website, group.clxnetworks.com) were adopted by the extraordinary general meeting held 23 July 2015. The Articles of Association contain no specific provisions concerning the appointment and dismissal of directors or concerning amendments to the Articles of association.

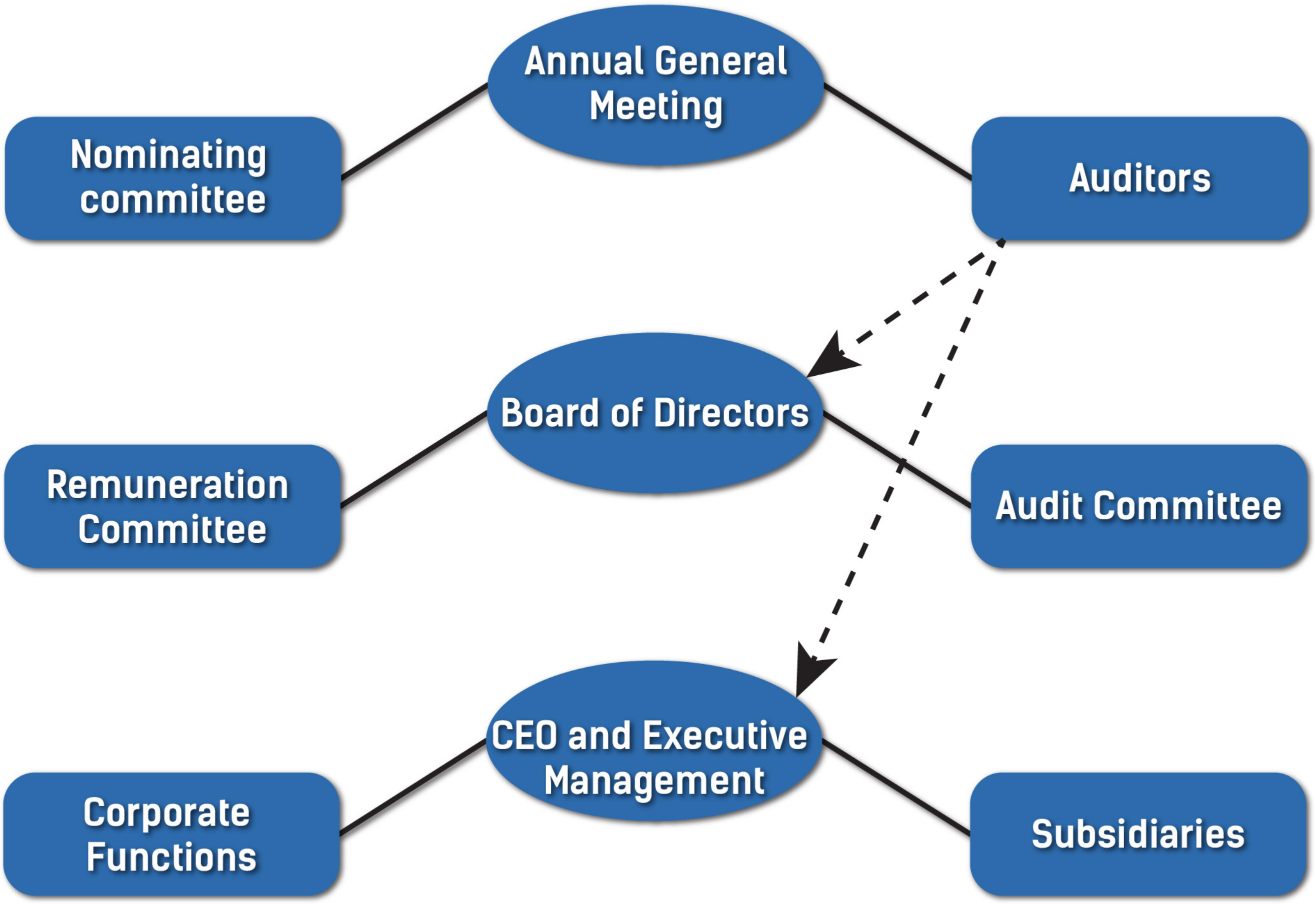
Annual general meeting

The AGM is the company's supreme governing body and affords shareholders the opportunity to exert their influence. Under the Swedish Companies Act, several matters are under the purview of the AGM, such as adoption of the income statement and balance sheet, allocation or treatment of 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 interact.

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

Shareholders who wish to participate in a general meeting must be recorded as shareholders in a printout or other presentation of the entire share book reflecting circumstances five business days before 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 Even, or New Year's Eve and may not fall earlier than the fifth business day before the meeting.



Annual general meeting

CLX Communications held the 2013/14 annual general meeting on 10 December 2014 at company headquarters in Kista. Fourteen shareholders representing 98.59 percent of votes and share capital attended the meeting. The AGM resolved to adopt the income statement and balance sheet for 2015/15, how profits should be allocated and to grant discharge of liability to the CEO and Board of Directors for the past financial year. The AGM elected directors and decided directors' fees.

The 2014/15 AGM will be held at company headquarters in Kista on 7 September 2015.

Extraordinary general meetings

Two extraordinary general meetings were held in 2014/15. A new Board of Directors was elected on 21 May 2015. Shareholders resolved to issue preference shares on 17 June.

Authorizations

The AGM held 10 December 2015 did not grant any special authorizations to the Board of Directors.

Nominating Committee

The annual general meeting appoints the Nominating Committee and decides which tasks the Nominating Committee must perform before the next AGM.

Board of Directors

Board composition

Until the extraordinary general meeting held 21 May 2015, the Board was composed of the following directors: Erik Fröberg, Jonas Fredriksson, Kjell Arvidsson, Johan Hedberg, Robert Gerstmann, Björn Zethraeus, Kristian Männik and Henrik Sandell. Erik Fröberg, Jonas Fredriksson and Kjell Arvidsson were reelected at the meeting held 21 May 2015 and Charlotta Falvin, Helena Nordman-Knutsson and Johan Stuart were elected as new directors. Erik Fröberg was elected Chairman of the Board.

Board independence

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

Name	Year elected	Inde-pendent of the company	Inde-pendent of the owners	Position	Comm-ittee	Attendan-ce at board meetings	Director's fee kSEK (per full year of service)	Number of shares/ warrants in CLX Communications
Erik Fröberg	2012	Yes	No	Chairman	All	13 (13)	110 (through 20 May 2015)/150	0
Jonas Fredriksson	2012	Yes	No	Director	All	13 (13)	110 (through 20 May 2015)/ 150	0
Kjell Arvidsson	2012	No	No	Director	All	13 (13)	0	0
Charlotta Falvin	2015	Yes	Yes	Director since 21 May 2015	All	5(5)	150	0
Helena Nordman-Knutsson	2015	Yes	Yes	Director since 21 May 2015	All	5(5)	150	0
Johan Stuart	2015	Yes	Yes	Director since 21 May 2015	All	5(5)	150	0
Henrik Sandell	Resigned 21 May 2015	No	No			8(8)	0	0
Johan Hedberg	Resigned 21 May 2015	No	No			8(8)	0	0
Robert Gerstmann	Resigned 21 May 2015	No	No			8(8)	0	0
Kristian Männik	Resigned 21 May 2015	No	No			8(8)	0	0
Björn Zethraeus	Resigned 21 May 2015	No	No			8(8)	0	0

Board work

The Board of Directors pursues its work 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 a 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 corporate officers participate at board meetings to present reports as required.

In addition to the first meeting after election by the AGM, the Board of Directors met 11 times in 2014/15 (of which three meetings were held by telephone). During the year, the Board focused primarily on work with strategy, the business plan and budget, as well as preparation for listing the company's shares on Nasdaq Stockholm, including new processes and internal control.

The Board of Directors has met with the auditor, but as yet not in the absence of the CEO or another individual on the Group management team.

As yet, no external evaluation of the work of the CEO and the Board during 2014/15 has been performed.

The Board of Directors monitors the work of management by means of monthly reports covering financial performance, key figures, progress in prioritized activities, etc.

Board meetings

The Board holds ordinary meetings according to the plan below:

August Year-end report

September/October Corporate governance meeting –

agenda and notice to attend the AGM, corporate governance report, annual report, review of insurance policies and pensions

October/November The first board meeting after election, 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

November/December Management remuneration, pay review

January/February Strategy meeting, financial targets, instructions in preparation for the budget process, interim report for the second quarter

March/April Ordinary meeting

May/June Budget meeting, evaluation of the Board and CEO, interim report for the third quarter

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

Audit Committee

The Board has decided not to appoint a separate Audit Committee; the tasks of the Audit Committee are performed by the entire board. Johan Stuart presides over the management of issues under the purview of the Audit Committee.

The company's auditor must participate in at least one Board meeting.

Remuneration Committee

The board has decided not to appoint a separate Remuneration Committee; the tasks of the Remuneration Committee are performed by the entire Board.

Directors' and committee members' attendance at board meetings during the year is shown on the table below.

Auditors

The audit firm, elected for term of one year by the AGM held 10 December 2014, is Deloitte AB. Authorized Public Accountant Erik Olin is the principal auditor.

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 4 to the annual report.

Management work

The CEO meets regularly with all members of the management team for business updates, to receive reports, set objectives and for general business discussions. This includes monthly management team meetings, at which minutes are kept. 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 CEO instruction and reporting instructions. The management team and other managerial personnel manage day-to-day operations primarily through instruments such as budgets, performance management and reward systems, regular reporting and follow-up and personnel meetings and via a delegated decision structure with functional hierarchies (development, marketing, support, finance, etc.) from the parent company to subsidiary management teams.

Focus during the year was on profitable growth. Work has also been done to adapt certain core processes in the company to the planned IPO on Nasdaq Stockholm.

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 report 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. The company has decided that the duties that must be carried out by the Audit Committee according to Companies Act will be performed by the Board of Directors as a whole.

Internal control is integrated within the company's operational units and finance function. 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, payment authorization rules, CLX Communications Group Accounting Principles, the CLX Communications Group Financial Policy and the CLX Communications IT Policy. In addition to these, there are operational polices 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 material business risks. Regular risk reports are presented to the Board of Directors. During the year, the Board regularly discusses 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.

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.

Information

Information about internal financial reporting control documents is available to affected employees on the CLX Communications intranet. Information and training related to the internal control documents is also provided through activities aimed directly at accounting managers and controllers within the Group.

Follow-up

Follow-up to ensure the effectiveness of internal control of financial reporting is performed by the Board, CEO, Group management and Group companies. Follow-ups include reviews of the company's monthly financial reports against the budget and financial targets.

Directors

Erik Fröberg – Erik Fröberg has extensive experience acquired in executive positions in the IT and telecoms industry in Sweden and abroad. He is the former Vice CEO of Cap Gemini Sweden, Vice CEO of the LHS Group Inc. and CEO of Digiquant Inc. As Vice CEO of LHS, Erik played a leading role in the listing of LHS on Nasdaq (USA) and the Frankfurt Stock Exchange, and was also a director of Telelogic when the company was listed in Sweden. He has been active as an investor in the technology sector since 2000, including acting as a special adviser to the US-based private equity firm General Atlantic. He has served on the boards of several privately held and public companies. He founded Neqst, an investment firm, in 2008 in partnership with Jonas Fredriksson and Öhmans. He holds an MSc in Engineering Physics from the Royal Institute of Technology (KTH) in Stockholm.

Charlotta Falvin – Charlotta Falvin has 20 years' experience in various managerial positions in the IT and telecoms industry focusing on international business development and organizational development management. She was previously the Vice CEO of Axis and CEO of Decuma and TAT, The Astonishing Tribe. She has held various board positions since 2003 in a number of privately held and listed companies, mainly in the high-tech sector, and has devoted herself entirely to directorships since 2011. She is a director of the listed companies Doro, Bure and Invisio and chairman of the boards of Ideon Science Park and the Faculty of Engineering, LTH. She holds an MSc in International Business and Economics from Lund University and an honorary doctorate from the Faculty of Engineering, LTH.

Helena Nordman-Knutsson – As a top-ranked analyst employed by securities brokerage firms, Helena Nordman-Knutson has been analyzing tech companies and advising investors in the tech sector for 20 years. She is currently a senior consultant with Hallvarsson & Halvarsson, where she advises companies in the areas of IR and financial communications. She began her career at Ericsson, where she was head of business intelligence on the corporate strategy team. Helena Nordman-Knutson is a director of Transmode Systems, Rejlers and Sensys Traffic, all of which are listed tech companies. Helena holds an MSc in Political Science from the University of Helsinki and an MBA from the Hanken School of Economics in Helsinki.

Johan Stuart – Johan Stuart holds a BSc from the Stockholm School of Economics. CFO of Affibody Medical AB, former CFO of Tradimus Holding AB, XCounter AB, Hi3G Access AB (Tre), Utfors AB, Radio Design AB, ASG AB and others. He is a director of HD Resources Sweden AB and subsidiaries, E. Öhman J:or Wealth Management AB, E. Öhman J:or Capital AB and Best Practice Scandinavia AB.

Kjell Arvidsson (co-founder) – Kjell Arvidsson has more than 25 years of industry experience including various positions with Ericsson and TeliaSonera in Sweden, Europe and Southeast Asia. Kjell has held a variety of management positions in marketing, product management and sales in Sweden, the United Kingdom and China. Prior to his co-founding of CLX Networks, he co-founded Ericsson IPX AB in 2002 with Björn Zethraeus and successfully developed the company until 2005. Kjell is an engineer, holds an IHM Diploma in Business Administration and has studied economics at Uppsala University and Stockholm University.

Jonas Fredriksson – Jonas Fredriksson has a long history as an analyst, investor and adviser to tech companies in the Nordic region. Among other accomplishments, Jonas has been a top-ranked financial analyst at Alfred Berg and partner, co-founder and fund manager at Manticore, a hedge fund within the Brummer & Partners network. He served for several years as a director of the listed companies Protect Data, Addnode and WM-Data and acted as strategic adviser to several listed and privately held Swedish tech companies. He has been a special adviser to Öhman Asset Management since 2005. Jonas holds a BSc in Systems Analysis and Computer Science from Karlstad University.

Management team

The Board of Directors appoints the CEO. The CEO oversees Group management and makes decisions in consultation with other members of the management team. As of 30 June 2015, the management team was composed of the chief executive officer, the chief financial officer, the head of marketing and the heads of division.

Johan Hedberg (CEO, co-founder) – Johan Hedberg has more than 15 years' experience in the mobile messaging industry. Before co-founding CLX Networks, he was head of messaging at Ericsson and held several sales and business development positions at mBlox. Johan co-founded Cotraveller, a start-up in the wireless industry, in 2000, prior to which he was a management consultant. He has a strong track record from his work with rapidly growing companies. Johan holds an MSc in Industrial Economics and Management from the Royal Institute of Technology (KTH) in Stockholm.

Johan Rosendahl (Head of the Operator Division) –Johan Rosendahl joined CLX in March 2015, bringing 20 years of experience of mobile value added services and the telecoms industry to the company. He 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.

Robert Gerstmann (Head of the Enterprise Division, co-founder) – Robert Gerstmann is the head of the Enterprise Division, responsible for growth and overall efficiency. He has a comprehensive international background and 15 years' experience in the mobile and IT industry. Before Robert co-founded CLX Networks, he held commercial management positions at mBlox as head of the global messaging business line and Netgiro/Digital River. Robert holds an MSc in Industrial Economics and Management from the Institute of Technology at Linköping University.

Odd Bolin (Chief Financial Officer) – Before he began his career as a stock analyst at Hagströmer & Qviberg, Odd earned an MSc and PhD in plasma physics from the Royal Institute of Technology (KTH) in Stockholm. In 2003, he founded Ceres Corporate Advisors, an M&A advisory services firm. In 2009, he was appointed CFO of Cybercom Group, listed on Nasdaq Stockholm, and was appointed CFO of Cybercom Sweden in 2011. He was appointed CFO of G5 Entertainment AB in 2013, which was listed on Nasdaq Stockholm in 2014. He joined CLX Communications in 2015.

Kjell Arvidsson (Head of Corporate Development, co-founder) – see above.

Stockholm, 1 September 2015

The Board of Directors of CLX Communications AB

Definitions

Average number of employees
The average number of employees under indefinite contracts during the period, including part-time employees restated as full-time equivalents.

Capital employed
Total assets less non-interest-bearing liabilities

Cash flow from operating activities
Net cash flow from operating activities for the year

Earnings per share, basic and diluted
Profit after tax for the period attributable to owners of the parent company divided by the average number of shares outstanding during the period before and after dilution

EBITDA
Operating profit before depreciation and amortization

EBITDA margin
Operating profit before depreciation and amortization in relation to revenue

Equity
Equity at the end of the period

Equity/assets ratio
Equity as a percentage of total assets

Equity per share
Equity at the end of the period attributable to owners of the parent company divided by the number of shares at the end of the period.

Free cash flow
Cash flow from operating activities and investing activities.

Gross margin
Gross profit in relation to revenue

Gross profit
Revenue less the cost of goods and services sold

Net debt
Non-current liabilities to credit institutions and liabilities to the parent company less cash and cash equivalents

Net margin
Profit after tax in relation to revenue.

Operating profit (EBIT)
Profit before financial income, financial expenses and taxes

Profit margin
Operating profit in relation to revenue

Profit after tax
Profit for the year

Return on capital employed
Operating profit + financial income as a percentage of average capital employed

Return on working capital
Operating profit in relation to average working capital

Revenue
Net sales of the business (internal revenue is also included in segment revenue)

Total assets
Total assets at the end of the period.

Working capital
Current assets less current liabilities