Stockholm, 6 November 2018

Interim report, January – September 2018

January – September 2018

- Net sales increased by 32 percent to SEK 2,835.3 million (2,148.8). Organic growth in local currency was 16 percent.
- EBITDA amounted to SEK 232.9 million (187.2).
- EBITDA excluding items affecting comparability[1] (adjusted EBITDA) amounted to SEK 257.7 million (226.5), corresponding to SEK 4.81 (4.42) per share.
- Operational foreign exchange gains and losses affected operating profit for the period by SEK -4.1 million (-5.0).
- EBIT amounted to SEK 110.1 million (93.8).
- Profit after tax for the period amounted to SEK 76.1 million (44.1).
- Basic and diluted earnings per share amounted to SEK 1.42 (0.85).

Third quarter, July – September 2018

- Net sales increased by 25 percent to SEK 979.3 million (781.4). Organic growth in local currency was 13 percent.
- EBITDA amounted to SEK 99.4 million (67.0).
- EBITDA excluding items affecting comparability[1] (adjusted EBITDA) amounted to SEK 95.4 million (71.7), corresponding to SEK 1.78 (1.34) per share.
- Operational foreign exchange gains and losses affected operating profit for the period by SEK -4.7 million (-8.0).
- EBIT amounted to SEK 50.0 million (34.5).
- Profit after tax for the quarter amounted to SEK 37.8 million (11.9).
- Basic and diluted earnings per share amounted to SEK 0.71 (0.22).

Significant events during the quarter

- Oscar Werner took over as the new President and CEO and of CLX Communications AB on 1 September.
- Under the incentive program adopted on 18 May 2018 1,306,600 warrants have been subscribed for by senior executives and key employees within CLX.

Significant events after the end of the quarter

- CLX announced on 8 October its decision to redirect the investments previously made within Core Network as a Service and Internet of Things to advanced messaging services, RCS, voice services and Personalized Video. The company will meet its customer commitments but will not be further developing the business within Core Network as a Service and Internet of Things. The change will affect only a very small proportion of the company's customers, but leads to impairment of fixed assets connected to IoT amounting to SEK 9.2 million.
- Eva Lessing was appointed Chief Human Resources Officer on 2 November. She will join the CLX Group Management Team and report to CEO Oscar Werner. Eva Lessing brings relevant experience from Snow Software, and will assume her position in January 2019. Lena Oldberg, CLX's current Director of Human Resources, will continue to work in the HR team and report to Eva Lessing.

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

Invitation to report presentation by phone or online

The report will be presented in a phone conference at 09.00 CET on 6 November. To participate in the presentation by phone, please call any of the following numbers and state the code 7652986:

SE: +46 8 5065 3942
UK: +44 33 0336 9411
US: +1 929 477 0448
Register here to watch the presentation via Webcast: https://edge.media-server.com/m6/p/h3sdakcs

About CLX Communications

CLX Communications (CLX) is a leading global provider of cloud-based communication services and solutions to enterprises and mobile operators. CLX's mobile communication services enable businesses to quickly, securely and cost-effectively reach their customers through mobile messaging, voice and video. CLX's solutions power business-critical communications throughout the world and the company has grown profitably since its foundation in 2008. The Group is headquartered in Stockholm, Sweden, and has presence in a further 20 countries. The shares of CLX Communications are listed on Nasdaq Stockholm: CLX.

Message from the CEO

A world of opportunity

We continue to see high demand in Q3. More and more enterprises use mobile technology to increase customer engagement and improve operational efficiency. The mobile channel has 100 percent consumer penetration, a 98 percent open rate, and world-wide reach in seconds or less.

Group organic revenues, in local currencies and excluding acquisitions, grew 13 percent in Q3 2018 compared to the same period last year. Organic development and contribution from acquired businesses saw gross profit rise 26 percent and adjusted EBITDA is 33 percent higher. We continue to grow our traffic through leading global cloud software platforms and see a positive impact from our targeted efforts towards US based tech companies.

Our cloud communication platform now handles some 25 billion transactions per year, which means we send more than 65 million business-critical enterprise messages each day. We are launching real-time voice and video services in further markets and see strong interest in our next generation enterprise messaging portfolio. Our personalized video messaging products are seeing higher uptake with strong momentum in the US and trials are about to start in selected European markets. This quarter, we are also seeing improved profitability in our Operator Division, which sells software to mobile operators.

We see opportunities to drive further growth both organically and through acquisitions. Our messaging platform is built for scale and our previous acquisitions have proved successful. To support our M&A strategy, we have decided to modify our leverage policy to allow for net debt of 2.5 times EBITDA, and to evaluate different options for future debt financing. We have a disciplined approach to M&A and will target companies that grow our scale and profitability, enable faster access to new markets, or add complementary technology.

We also see room to drive further organic growth through targeted sales initiatives and new product offerings. Our market is growing as more businesses digitalize their customer journey and draw on our products to drive customer engagement. The emergence of new, rich messaging formats enables easier two-way interaction and positions enterprise messaging as a viable, pre-installed alternative to apps. To capitalize on these opportunities, we will step up investments in rich media messaging, RCS, real-time voice and personalized video. These investments may impact our earnings in the coming year before new initiatives translate into higher revenues and gross profit. However, our overall financial target, to grow adjusted EBITDA per share by 20 percent per year through organic efforts and M&A, remains unchanged.

CLX Communications has great employees with high focus on customer satisfaction and we have been trusted to help some of the world's most demanding companies to interact with their customers. It is an honor to lead the company and I look forward to the future with excitement!

Stockholm, 6 November 2018

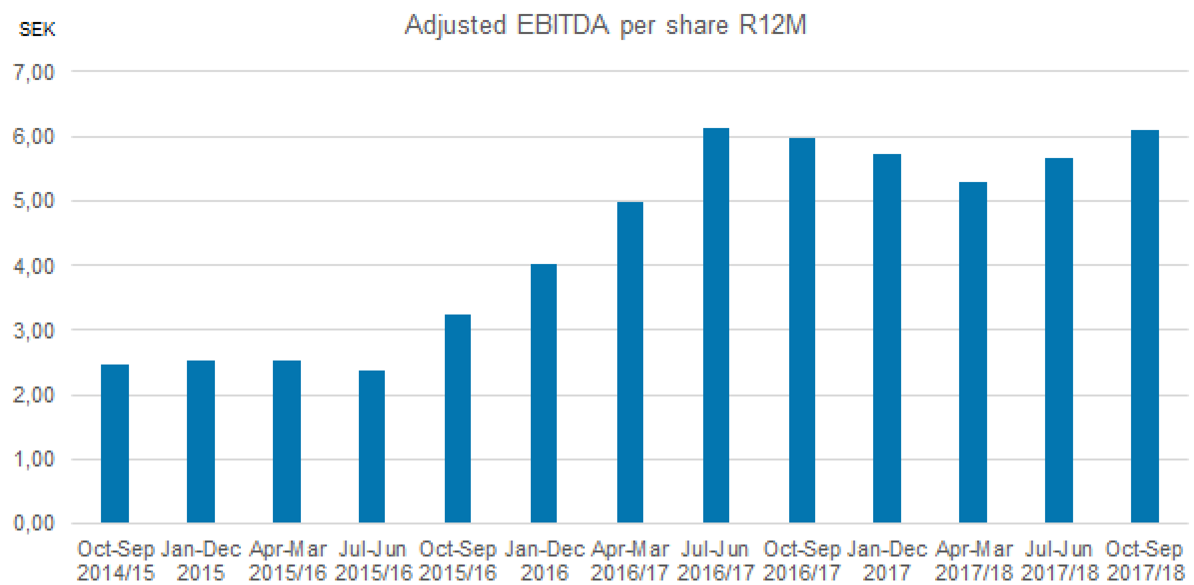
Oscar Werner
President and CEO

CLX Group overview

For a list and definitions of financial measures defined or not defined under IFRS and for operational measures, please refer to page 26.

CLX Group, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Net sales	979.3	781.4	2,835.3	2,148.8	3,058.1	3,744.6
Gross profit	249.9	198.1	698.5	580.2	780.0	898.4
Gross margin	25.5%	25.4%	24.6%	27.0%	25.5%	24.0%
Operating profit, EBITDA	99.4	67.0	232.9	187.2	263.2	308.9
EBITDA margin	10.2%	8.6%	8.2%	8.7%	8.6%	8.2%
Adjusted EBITDA	95.4	71.7	257.7	226.5	296.7	327.8
Adjusted EBITDA margin	9.7%	9.2%	9.1%	10.5%	9.7%	8.8%
Adjusted EBITDA / gross profit	38.2%	36.2%	36.9%	39.0%	38.0%	36.5%
Operating profit, EBIT	50.0	34.5	110.1	93.8	124.9	141.2
EBIT margin	5.1%	4.4%	3.9%	4.4%	4.1%	3.8%
Adjusted EBIT	55.2	39.2	144.1	133.2	170.3	181.2
Adjusted EBIT margin	5.6%	5.0%	5.1%	6.2%	5.6%	4.8%
Profit for the period	37.8	11.9	76.1	44.1	134.4	166.4
Net margin	3.9%	1.5%	2.7%	2.1%	4.4%	4.4%
Cash flow from operating activities	-46.6	-93.1	212.1	-10.5	51.3	273.9
Net debt / EBITDA RTM, multiple	1.7	1.3	1.7	1.3	1.3	1.7
Equity ratio	45.6%	46.9%	45.6%	46.9%	49.3%	45.6%
Diluted earnings per share, SEK	0.71	0.22	1.42	0.85	2.58	3.10
Average number of employees	406	359	382	338	340	376

Items affecting comparability, SEK m	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Acquisition costs	-0.4	-0.3	-9.2	-9.2	-9.3	-9.3
Restructuring costs	8.9	-	8.9	-15.0	-15.0	8.9
Integration costs	-4.5	-4.5	-24.5	-15.3	-24.2	-33.4
Proceeds from sale of PSMS business	-	0.1	-	0.1	3.3	3.2
Write-down earnout Xura	-	-	-	-	11.8	11.8
Total items affecting EBITDA comparability	**4.0**	**-4.7**	**-24.8**	**-39.4**	**-33.5**	**-18.9**
Impairment goodwill Xura	-	-	-	-	-11.9	-11.9
Impairment tangible and intangible IoT assets	-9.2	-	-9.2	-	-	-9.2
Total items affecting EBIT comparability	**-5.2**	**-4.7**	**-34.0**	**-39.4**	**-45.3**	**-40.0**



Operations

The market

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

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

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

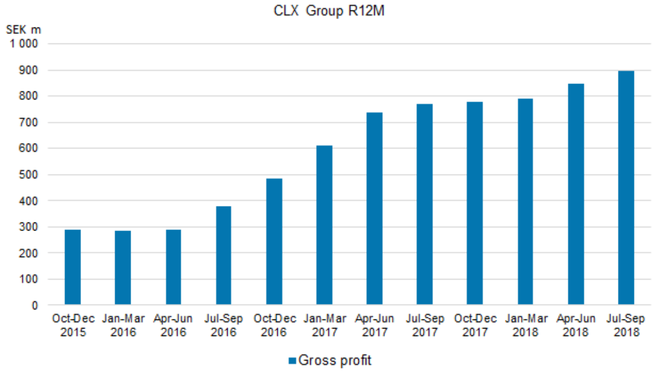
With the acquisition of Vehicle, CLX further strengthened its offering within Messaging with advanced personalized video services. Providing information to new customers is an excellent application where, for example, we help leading American mobile network operators send personalized video greetings.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

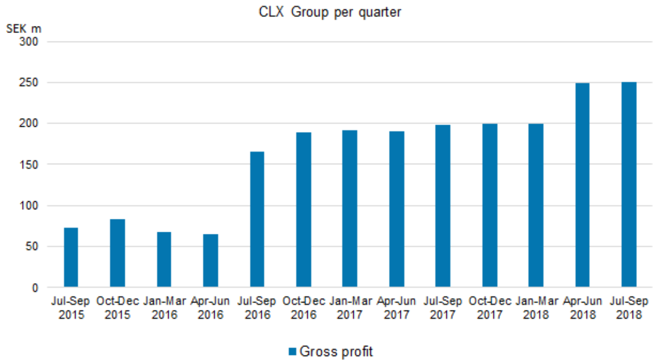
Considerable development work is also ongoing in Rich Communication Services (RCS), which we have assessed is gradually picking up speed. RCS provides a richer user experience and allows our enterprise customers to send high-resolution images and video. The technology encourages interactive customer dialogue with intuitive menu selections where users can, for example, check in or book a new appointment with a simple tap of a button. We have decided to further increase the focus on these message-based communication services and free up important development resources by reducing our investments in Internet of Things and Core Network as a Service.

Business in the Operator Division is otherwise proceeding as before, and we see continued good potential for our existing core products and services related to messaging platforms for mobile operators.

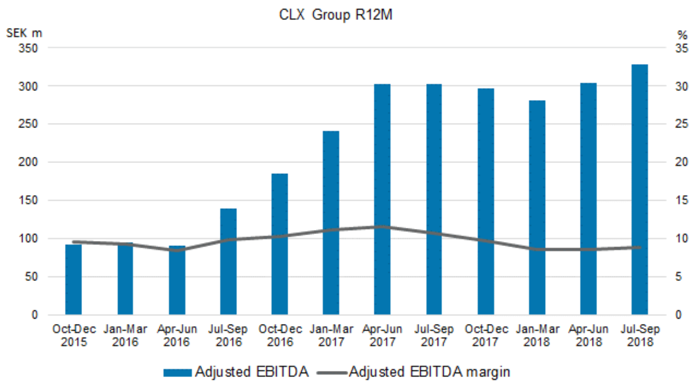
In addition to messaging, efforts are ongoing with our cloud services for real-time voice and video. Here, our offering includes temporary, anonymized numbers for the taxi industry so that drivers and customers easily can get in contact without revealing their private mobile phone numbers.

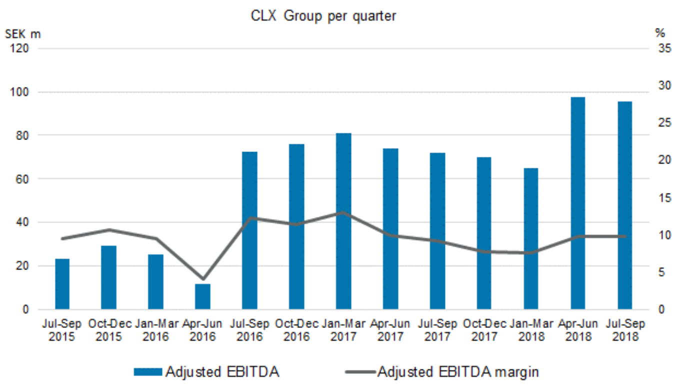
Gross profit





Adjusted EBITDA and adjusted EBITDA margin





July – September 2018

Net sales

Consolidated net sales grew in the quarter by 25 percent to SEK 979.3 million (781.4). Amounts in parentheses refer to the corresponding quarter in the preceding year. Organic growth was 19 percent. Organic growth was positively affected during the quarter by the depreciation of the Swedish krona (SEK), primarily against EUR and GBP. The Group has significant revenues in foreign currencies and if exchange rates had been the same during the quarter as in the same quarter in the preceding calendar year, revenues would have been about SEK 46.6 million lower and organic growth would have been 13 percent.

The number of transactions in comparable units increased by about 18 percent during the quarter compared to the same quarter in 2017. The higher transaction volume is the result of the majority of our existing customers steadily growing their business with us, while we have continued to gain new customers.

Migration of the traffic of acquired companies to the Group's new transaction system, Nova, is mainly complete. Nova is going to enable even higher cost-effectiveness and quality in our services, as well as faster, simpler integration of future acquisitions. Internal development resources are being gradually refocused on the development of new functionality in pace with the completion of the final migration activities.

The sharper focus on new sales continues to have impact on organic growth. The effort to strengthen the sales and marketing organizations in Europe and Asia is further improving our market segmentation. As planned, we are continuing to sharpen focus on major enterprise customers.

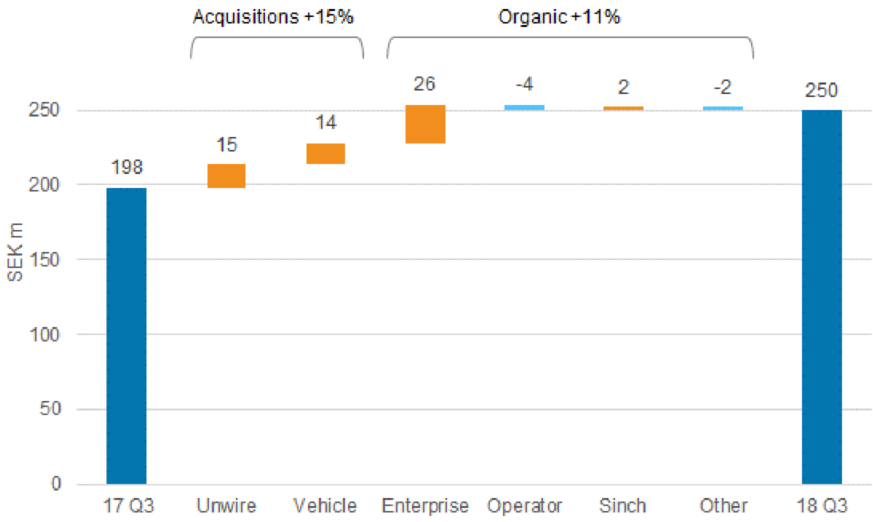
Gross profit

During the quarter, gross profit amounted to SEK 249.9 million (198.1) and the gross margin amounted to 25.5 percent (25.4). The consolidated gross margin is significantly controlled by the Enterprise Division's gross margin. The key determining factor is in which markets traffic terminates, i.e., where the recipient's operator is domiciled. Gross profit per transaction is similar in most of CLX's markets, but the gross margin varies considerably as operators' traffic charges differ. The volume mix between markets changes continuously and the gross margin fluctuates accordingly. These fluctuations are beyond CLX's control and our focus is therefore on gross profit per transaction, not gross margin, as the guiding performance measurement. CLX has for a long time had a strong position in several European markets, such as the United Kingdom, Germany and France, where the gross margin is lower than in markets such as the US. Early in the quarter, AT&T was the last major US operator to implement traffic tariffs, which has resulted in increasing onward billing in the US. The increased onward billing does not affect gross earnings per transaction, but the gross margin is adversely affected.

The Danish company Unwire and the US company Vehicle, acquired during the spring, are having continued positive effect on consolidated gross margin.

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

Change in consolidated gross profit, Q3 2017 - Q3 2018



Organic growth on the chart above includes the effect of exchange rate fluctuations.

Operating profit

EBITDA amounted to SEK 99.4 million (67.0). EBIT amounted to SEK 50.0 million (34.5). Ongoing depreciation of acquired customer and supplier relationships affected EBIT by -29.3 (-23.2) million.

Consolidated operating profit was also reduced in the third quarter by remaining costs in the Enterprise Division arising from the completion of traffic migration from acquired companies. These costs will be phased out entirely during the fourth quarter. Thereafter, the internal qualified resources that have been part of the Nova and migration projects will be deployed to develop new products and services for the Enterprise Division.

The development of new services within Core Network as a Service and Internet of Things will be discontinued. This will free up development resources, which will be directed at advanced messaging services, RCS, voice services and personalized video. The company will meet its customer commitments but will not be further developing the business within Core Network as a Service and Internet of Things. The change will affect only a very small proportion of the company's customers.

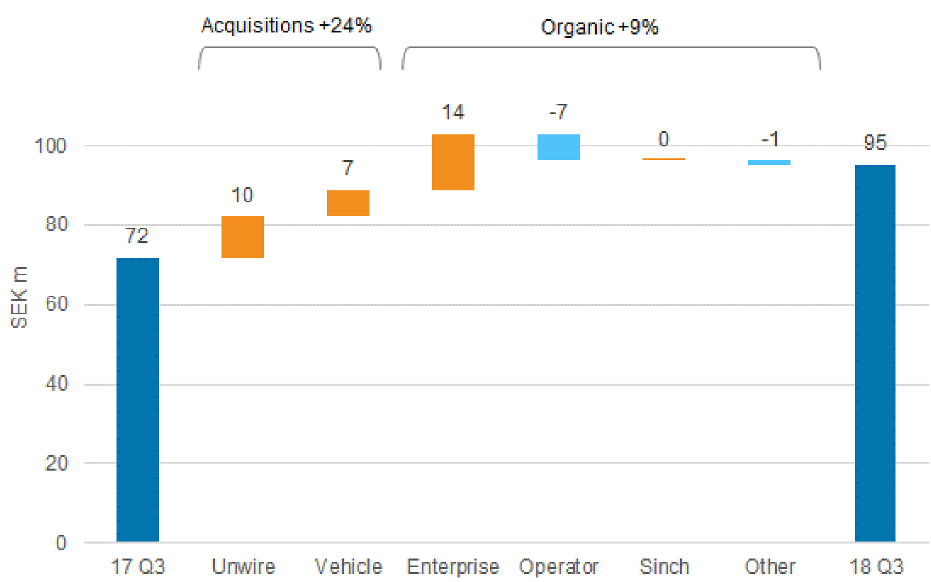
Investments in Vehicle and Sinch to widen the product offerings of these operations in personalized video and voice-based communications are proceeding as planned.

Acquisition and integration costs reduced earnings for the quarter by SEK -4.9 million (-4.8). The release of unused restructuring provision, mainly due to the fact that more Dialogue employees than originally forecasted have continued their employment with CLX, increased earnings for the quarter by SEK 8.9 million. Impairments of tangible and intangible assets related to IoT as stated above, reduced earnings for the quarter by SEK -9.2 million. Adjusted for these items, EBITDA amounted to SEK 95.4 million (71.7) and EBIT to SEK 55.2 million (39.2). Acquisition costs are attributable primarily to external advisory services in relation to the acquisitions of Unwire and Vehicle. Integration costs refer primarily to the costs of developing Nova, as well as other costs related to the migration of traffic to Nova.

Foreign exchange gains and losses affected operating profit for the quarter by SEK -4.7 million (-8.0). These are mainly attributable to ongoing revaluations of outstanding customer and trade payables.

Adjusted EBITDA per share was SEK 1.78 (1.34) for the quarter and SEK 6.12 (5.98) for the rolling twelve months. At present, the development of adjusted EBITDA per share is below the Group's financial target, which is annual growth of 20 percent. The migration of traffic to Nova entails both additional cost synergies and sharper focus on new sales. Combined with the acquisitions of Unwire and Vehicle, this is creating the conditions for stronger performance in adjusted EBITDA per share. Adjusted EBITDA divided by gross profit was 38.2 percent (36.2) for the quarter.

Change in consolidated adjusted EBITDA, Q3 2017 - Q3 2018



Organic growth on the chart above includes the effect of exchange rate fluctuations.

January – September 2018

Net sales

Consolidated net sales grew in the period by 32 percent to SEK 2,835.3 million (2,148.8). Amounts in parentheses refer to the corresponding period in the preceding year. Organic growth was 20 percent. Adjusted for currency effects, organic growth was 16 percent.

Gross profit

During the period, gross profit amounted to SEK 698.5 million (580.2) and the gross margin was 24.6 percent (27.0).

Operating profit

EBITDA amounted to SEK 232.9 million (187.2). EBIT amounted to SEK 110.1 million (93.8). Foreign exchange gains and losses affected operating profit for the period by SEK -4.1 million (-5.0). These are mainly attributable to ongoing revaluations of outstanding customer and trade payables. Ongoing amortization of acquired customer and operator relationships affected EBIT by SEK -79.7 million (-66.7).

Acquisition and integration costs and impairments of tangible and intangible assets related to IoT reduced earnings for the period by SEK -42.9 million (-24.3). The reversal of unused restructuring reserves increased earnings for the period by SEK 8.9 million (-15.0). Adjusted for these items, EBITDA amounted to SEK 257.7 million (226.5) and EBIT to SEK 144.2 million (133.2).

Other income and expense items

Net financial expenses were SEK -5.3 million (-37.9), with interest costs amounting to SEK -16.6 million (-14.1) and foreign exchange differences to SEK 6.2 million (-24.0). The foreign exchange differences are attributable primarily to the remeasurement of financial assets and liabilities denominated in other currencies. The Group's effective tax rate was 27.4 percent (21.2). See Note 4 for a reconciliation of tax on profit for the period. Net profit for the period amounted to SEK 76.1 million (44.1).

Investments

Net investments in property, plant and equipment and intangible assets amounted to SEK 21.5 million (16.2). Investments relate primarily to capitalized development expenditure of SEK 16.4 million (12.0). The investments consist both of development work and of hardware and software used for the operation of customer systems within the framework of the company's Managed Service offering. The company is also investing in developing solutions for RCS, Rich Communication Services.

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

On 4 April, CLX acquired 100 percent of the share capital in Vehicle Agency LLC, which has about 10 employees and is based in Seattle, Washington. The company specializes in technology and solutions in personalized video and rich media communications solutions. Vehicle had sales in 2017 of approximately USD 5.9 million (SEK 50.5 million) and gross profit of about USD 3.4 million (SEK 29.4 million). EBITDA was about USD 0.9 million (SEK 7.9 million), with an EBITDA margin of 15.6 percent. The initial purchase consideration was USD 8 million (SEK 67.1 million) on a cash- and debt-free basis. In addition, an earnout of USD 4 million (SEK 35.8 million) was paid in July. The acquisition was financed with cash reserves. The purchase agreement provides for additional earnouts based on sales and EBITDA performance of a maximum of USD 18 million. The anticipated outcome discounted to present value amounts to USD 14.8 million (SEK 132.6 million) and has been recognized as a liability.

See Note 5 for further information about acquisitions.

Cash flow, liquidity and financial position

Cash flow from operating activities amounted to SEK 212.1 million (-10.5). Consolidated cash and cash equivalents at 30 September 2018 amounted to SEK 132.5 million (164.6). The bank overdraft facility amounted to SEK 200 million (100), of which SEK 79.8 million was drawn down (-). Cash flow in relation to operating profit fluctuates from quarter to quarter because many of the company's customers aim to maximize their liquidity by postponing payments to suppliers. CLX is responding to this by increasing resources in the credit control function. Actual customer losses remain low and cash flow in relation to operating profit is stable over time.

Equity at 30 September 2018 amounted to SEK 1,583.8 million (1,494.6), corresponding to an equity ratio of 45.6 percent (49.3). Equity per share amounted to SEK 29.53 (27.86).

Employees

The average number of employees (full-time equivalents) in the Group amounted to 382 (338), of whom 21 percent (20) women. CLX continues to recruit new employees, both in Sweden and internationally. Including consultants, the Group employs an average of approximately 450 people.

Enterprise Division

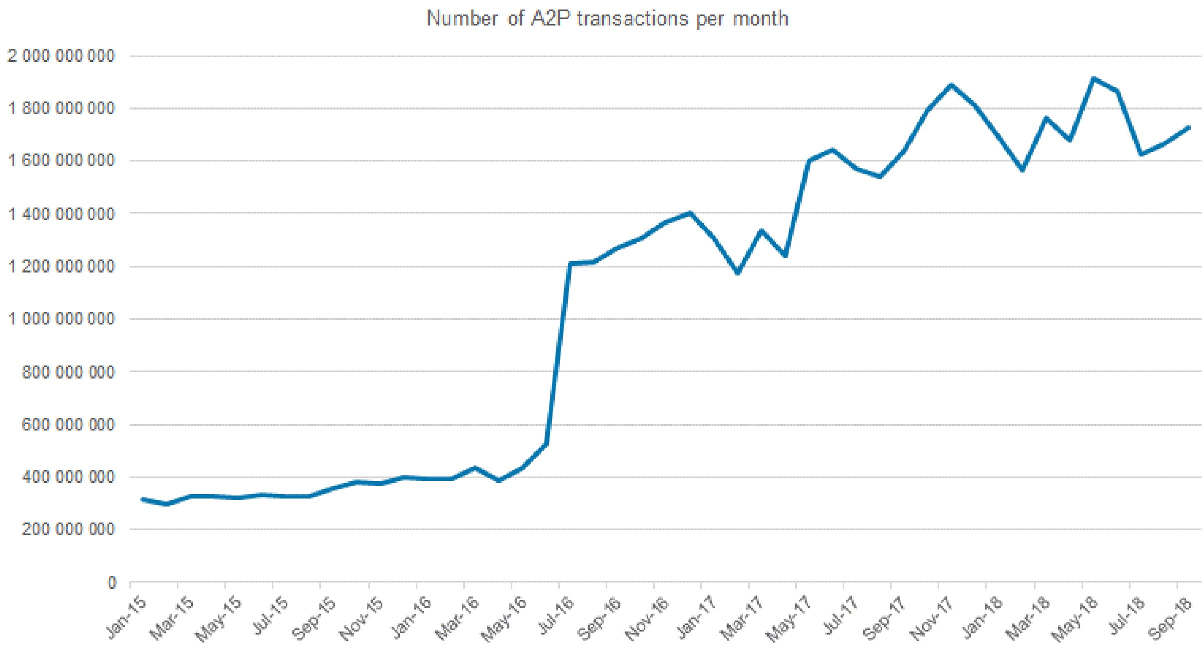
The Enterprise Division provides cloud-based communication solutions to the enterprise sector for effective communication with customers, employees and the Internet of Things (IoT).

Enterprise Division, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Net sales	903.3	726.2	2,651.0	1,989.2	2,847.1	3,508.9
Gross profit	189.6	148.0	550.0	437.4	599.8	712.3
Gross margin	21.0%	20.4%	20.7%	22.0%	21.1%	19.5%
Operating profit, EBITDA	87.3	62.7	265.2	208.8	287.8	344.2
EBITDA / Gross profit	46.0%	42.4%	48.2%	47.7%	48.0%	48.3%
EBITDA margin	9.7%	8.6%	10.0%	10.5%	10.1%	8.3%

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

Net sales

During the quarter, net sales increased by SEK 177.1 million compared to the corresponding quarter in 2017 to SEK 903.3 million (726.2), an increase of 24 percent. Organic growth was 20 percent. Adjusted for currency effects, organic growth was 15 percent. The number of sent messages in comparable units increased by about 18 percent during the quarter compared to the same quarter in 2017. The higher transaction volume is the result of many of our existing customers steadily growing their business with us, while we have continued to gain new customers.



Profit

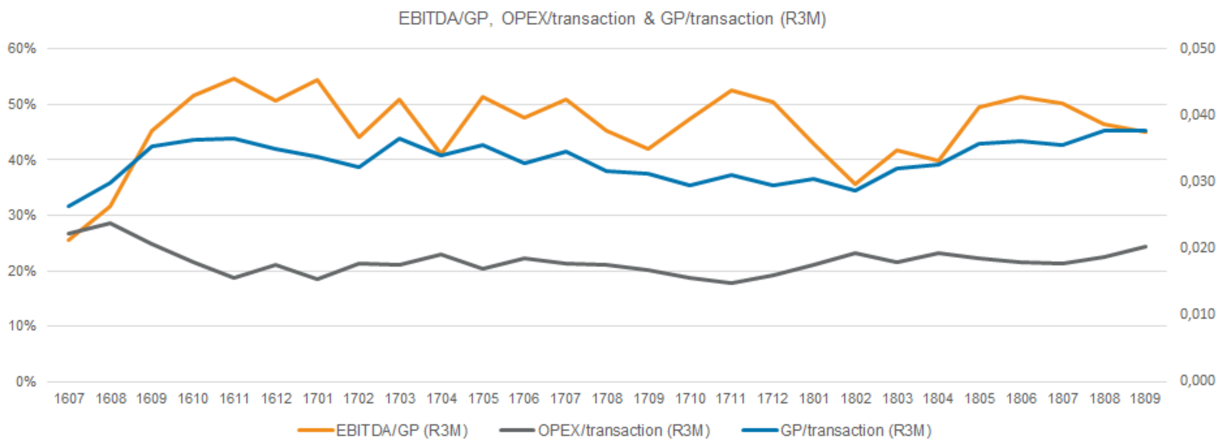
Gross profit increased during the quarter to SEK 189.6 million (148.0), an increase of 28 percent compared to the same quarter in the previous year. EBITDA amounted to SEK 87.3 million (62.7). Foreign exchange gains and losses impacted the Division's operating profit during the quarter by SEK -3.6 million (-7.3).

The gross margin was stable during the quarter compared to the preceding quarter. Traffic has incrased to certain markets with good profitability, but the impact on gross profit is offset by increased onward billing to US mobile operators.

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

The majority of operational integration of the companies acquired in 2016 and 2017 is largely complete and the merged businesses' underlying operational costs per sent message are at a very competitive level. It is the express ambition of CLX to be the market provider with the lowest operating cost per sent message and there is scope for additional improvements through continued automation and streamlining of internal processes.

EBITDA in relation to gross profit is a central performance measurement for the Division. Operating costs rose slightly during the quarter as an effect of the additional inputs required for the completion of customer migration, but this was partially offset by increasing traffic volumes.



Other

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

Operator Division

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

Operator Division, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Net sales	39.5	44.0	106.2	130.3	168.7	144.6
Gross profit	35.0	39.1	95.4	115.9	144.0	123.5
Gross margin	88.6%	88.9%	89.9%	88.9%	85.4%	85.4%
Operating profit, EBITDA	8.2	17.3	13.1	41.4	41.9	13.6
EBITDA margin	20.7%	39.4%	12.3%	31.8%	24.8%	9.4%

During the winter of 2017/18, the Operator Division saw lower than expected conversion of outstanding quotations to orders and revenue, which is still having adverse impact on sales and earnings. The sales pipeline remains strong and there is tremendous interest in the Division's products and services, but several orders are still in abeyance. We expect the Division's performance to gradually improve in upcoming quarters and to return to profitability in line with what has been previously communicated, an EBITDA margin of about 15 percent.

Net sales

Net sales in the Operator Division decreased during the quarter by SEK 4.5 million to SEK 39.5 million (44.0). The decrease is mainly attributable to that there were no significant capacity expansion projects during the quarter and to the aforementioned lower conversion of quotations and orders to revenues. New capacity expansion projects are begun as customers grow and acquire additional subscribers. CLX cannot, however, predict in advance to any significant extent when new projects will be on the table and the Operator Division's revenues may continue to fluctuate to a relatively great extent from one quarter to the next.

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

Profit

Gross profit decreased during the quarter by SEK 4.1 million to SEK 35.0 million (39.1). EBITDA decreased by SEK 9.1 million to SEK 8.2 million (17.3).

Foreign exchange gains and losses impacted the Division's operating profit during the quarter by SEK -0.8 million (0.6).

Other

Focus in the Operator Division is currently on converting quotations and orders to revenue and increasing sales to new customers.

Sinch

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

Sinch, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Net sales	20.5	12.7	53.2	34.9	50.2	68.6
Gross profit	11.6	9.5	30.5	26.8	36.3	40.0
Gross margin	56.6%	74.6%	57.3%	76.8%	72.3%	58.3%
Operating profit, EBITDA	-3.7	-3.7	-13.3	-12.8	-19.2	-19.7
EBITDA margin	-17.9%	-29.0%	-24.9%	-36.7%	-38.3%	-28.8%

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

Net sales

Sinch increased net sales during the quarter by SEK 7.8 million to SEK 20.5 million (12.7). Sales are developing very positively, with both significant focus on deploying customers gained in new geographies as well as bringing in new customers and new markets in relation to existing customers.

Profit

Gross profit for the quarter amounted to SEK 11.6 million (9.5). EBITDA amounted to SEK -3.7 million (-3.7). EBITDA was negatively impacted by continuing substantial investments in greater functionality, aimed in part at ensuring that Sinch's products are aligned to the needs of various customers and customer categories.

Foreign exchange gains and losses impacted Sinch’s operating profit during the quarter by SEK -0.4 million (0.5).

Vehicle

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

Vehicle, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018*	Jan - Sep 2017	Jan - Dec 2017	R12M*
Net sales	18.5	-	31.0	-	-	31.0
Gross profit	14.1	-	22.8	-	-	22.8
Gross margin	76.0%	-	73.3%	-	-	73.3%
Operating profit, EBITDA	6.7	-	8.9	-	-	8.9
EBITDA margin	36.0%	-	28.7%	-	-	28.7%

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

The main focus during the quarter was on cross-selling of Vehicle's products and services to CLX's customer base in the US and Europe. Vehicle has also successfully expanded its business with a large US customer, which had positive impact on the quarter.

Net sales

Vehicle delivered net sales of SEK 18.5 million during the quarter. Sales are developing well, and Vehicle's offering is attracting keen interest among both American enterprise customers and European operators.

Profit

Gross profit for the quarter was SEK 14.1 million. EBITDA was SEK 6.7 million.

Foreign exchange gains and losses impacted Vehicle's operating profit during the quarter by SEK 0.0 million.

Quarterly summary

CLX Group, SEK million	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018
Net sales	669.6	622.2	745.2	781.4	909.3	858.6	997.4	979.3
Gross profit	189.4	191.3	190.7	198.1	199.8	200.0	248.6	249.9
Gross margin	28.3%	30.7%	25.6%	25.4%	22.0%	23.3%	24.9%	25.5%
Operating profit, EBITDA	68.1	70.8	49.3	67.0	76.0	53.2	80.3	99.4
EBITDA margin	10.2%	11.4%	6.6%	8.6%	8.4%	6.2%	8.1%	10.2%

Enterprise Division, SEK million	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018
Net sales	619.1	566.4	696.7	726.2	857.9	812.4	935.2	903.3
Gross profit	142.2	139.6	149.8	148.0	162.4	161.5	198.8	189.6
Gross margin	23.0%	24.7%	21.5%	20.4%	18.9%	19.9%	21.3%	21.0%
Operating profit, EBITDA	69.2	71.4	74.7	62.7	79.1	71.8	106.1	87.3
EBITDA / Gross profit	48.7%	51.1%	49.9%	42.4%	48.7%	44.4%	53.4%	46.0%
EBITDA margin	11.2%	12.6%	10.7%	8.6%	9.2%	8.8%	11.3%	9.7%

Operator Division, SEK million	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018
Net sales	50.0	45.6	40.7	44.0	38.3	33.2	33.6	39.5
Gross profit	46.9	42.7	34.0	39.1	28.0	29.7	30.8	35.0
Gross margin	93.7%	93.8%	83.6%	88.9%	73.1%	89.5%	91.7%	88.6%
Operating profit, EBITDA	14.8	18.6	5.5	17.3	0.5	1.4	3.5	8.2
EBITDA margin	29.6%	40.8%	13.5%	39.4%	1.2%	4.2%	10.4%	20.7%

Sinch, SEK million	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018
Net sales	1.4	11.4	10.8	12.7	15.3	15.0	17.8	20.5
Gross profit	0.9	8.9	8.4	9.5	9.5	8.8	10.1	11.6
Gross margin	62.8%	78.2%	77.9%	74.6%	61.8%	59.0%	56.6%	56.6%
Operating profit, EBITDA	0.6	-4.7	-4.4	-3.7	-6.4	-4.5	-5.1	-3.7
EBITDA margin	43.3%	-41.3%	-40.9%	-29.0%	-41.9%	-30.4%	-28.5%	-17.9%

Vehicle, SEK million	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018
Net sales	-	-	-	-	-	-	12.5	18.5
Gross profit	-	-	-	-	-	-	8.7	14.1
Gross margin	-	-	-	-	-	-	69.4%	76.0%
Operating profit, EBITDA	-	-	-	-	-	-	2.2	6.7
EBITDA margin	-	-	-	-	-	-	17.8%	36.0%

Items affecting comparability

CLX Group, SEK million	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018
Acquisition costs	-1.2	-3.1	-5.7	-0.3	-0.1	-4.6	-4.3	-0.4
Restructuring costs	-	-	-15.1	-	-	-	-	8.9
Integration costs	-6.7	-7.0	-3.8	-4.5	-8.9	-7.2	-12.8	-4.5
Proceeds from sale of PSMS business	-	-	-	0.1	3.2	-	-	-
Write-down earnout Xura	-	-	-	-	11.8	-	-	-
Total items affecting EBITDA comparability	**-7.9**	**-10.1**	**-24.6**	**-4.7**	**5.9**	**-11.8**	**-17.0**	**4.0**
Impairment goodwill Xura	-	-	-	-	-11.9	-	-	-
Impairment tangible and intangible IoT assets	-	-	-	-	-	-	-	-9.2
Total items affecting EBIT comparability	**-7.9**	**-10.1**	**-24.6**	**-4.7**	**-6.0**	**-11.8**	**-17.0**	**-5.2**

CLX Group, SEK million	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018
Net sales	669.6	622.2	745.2	781.4	909.3	858.6	997.4	979.3
Gross profit	189.4	191.3	190.7	198.1	199.8	200.0	248.6	249.9
Gross margin	28.3%	30.7%	25.6%	25.4%	22.0%	23.3%	24.9%	25.5%
Adjusted EBITDA	76.0	80.9	74.0	71.7	70.1	65.0	97.4	95.4
Adjusted EBITDA margin	11.4%	13.0%	9.9%	9.2%	7.7%	7.6%	9.8%	9.7%
Adjusted EBITDA / gross profit	40.1%	42.3%	38.8%	36.2%	35.1%	32.5%	39.2%	38.2%
Adjusted EBITDA per share - diluted, SEK	1.56	1.63	1.45	1.34	1.31	1.21	1.82	1.78

Condensed income statement

CLX Group, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Net sales	**979.3**	**781.4**	**2,835.3**	**2,148.8**	**3,058.1**	**3,744.6**
Cost of goods sold and services	-729.4	-583.2	-2,136.8	-1,568.6	-2,278.1	-2,846.2
Gross profit	**249.9**	**198.1**	**698.5**	**580.2**	**780.0**	**898.4**
Other operating income	14.9	18.2	52.1	33.0	59.5	78.6
Work performed by the entity and capitalized	5.4	2.9	16.4	12.0	17.9	22.3
Other external costs	-53.2	-56.2	-194.2	-181.3	-243.6	-256.4
Employee benefits expenses	-98.4	-75.2	-285.9	-226.8	-312.6	-371.6
Other operating expenses	-19.1	-20.8	-54.0	-29.9	-38.1	-62.3
EBITDA	**99.4**	**67.0**	**232.9**	**187.2**	**263.2**	**308.9**
Depreciation, amortization and impairment	-49.4	-32.5	-122.8	-93.4	-138.3	-167.7
EBIT	**50.0**	**34.5**	**110.1**	**93.8**	**124.9**	**141.2**
Finance income	37.1	56.9	106.0	175.3	185.2	115.9
Finance expenses	-38.8	-77.5	-111.3	-213.2	-235.7	-133.8
Profit before tax	**48.3**	**13.9**	**104.8**	**55.9**	**74.4**	**123.3**
Current tax	-13.7	-31.3	-41.8	-35.4	-33.3	-39.8
Deferred tax	3.2	29.3	13.1	23.6	93.3	82.8
Profit for the period	**37.8**	**11.9**	**76.1**	**44.1**	**134.4**	**166.4**
Attributable to:						
Owners of the parent	37.9	11.8	76.1	43.6	133.9	166.4
Non-controlling interests	-0.1	0.1	0.0	0.5	0.5	0.0

Earnings per share

CLX Group, SEK	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Earnings per share						
- Basic	0.71	0.22	1.42	0.85	2.58	3.10
- Diluted	0.71	0.22	1.42	0.85	2.58	3.10

Condensed statement of comprehensive income

CLX Group, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Profit for the period	37.8	11.9	76.1	44.1	134.4	166.4
Other comprehensive income or loss						
Translation differences	-38.0	22.0	10.9	3.0	26.9	34.8
Hedge accounting net investments	4.1	20.2	-8.0	-14.8	-9.3	-2.5
Tax effect on items in other comprehensive income	-0.9	-4.5	1.8	3.4	2.1	0.4
Other comprehensive income for the period	**-34.8**	**37.8**	**4.7**	**-8.4**	**19.7**	**32.8**
Total comprehensive income for the period	**3.0**	**49.7**	**80.8**	**35.7**	**154.1**	**199.2**
Attributable to:						
Owners of the parent	3.4	49.5	81.1	35.4	153.8	199.6
Non-controlling interests	-0.4	0.2	-0.4	0.3	0.2	-0.4

Condensed balance sheet

CLX Group, SEK million	Note	9/30/2018	9/30/2017	12/31/2017
Assets				
Goodwill		1,239.4	963.0	963.4
Customer relationships		694.1	585.8	575.9
Operator relationships		106.8	111.0	108.2
Proprietary software		139.6	110.1	112.3
Other intangible non-current assets		0.8	4.9	3.9
Tangible non-current assets		21.2	17.5	23.1
Non-current financial assets		23.0	23.7	29.2
Deferred tax assets		197.7	195.5	191.4
Total non-current assets		*2,422.5*	*2,011.5*	*2,007.3*
Tax receivables		1.7	4.4	1.7
Assets hold for sale		-	2.9	-
Other current receivables		916.7	704.9	857.1
Cash and cash equivalents		132.5	212.4	164.6
Total current assets		*1,051.0*	*924.6*	*1,023.3*
Total assets		**3,473.5**	**2,936.1**	**3,030.6**
Equity and liabilities				
Equity attributable to owners of the parent	3	1,583.0	1,374.8	1,493.4
Non-controlling interests		0.8	1.2	1.1
Total equity		*1,583.8*	*1,376.0*	*1,494.6*
Provision for deferred taxes		223.8	265.7	196.2
Provision for restructuring costs		-	14.4	11.3
Other provisions		1.5	0.3	0.2
Total provisions		*225.3*	*280.3*	*207.7*
Non-current liabilities, interest bearing		0.3	409.6	387.7
Non-current liabilities, non-interest bearing		177.1	66.0	54.3
Total non-current liabilities		*177.4*	*475.5*	*442.1*
Current liabilities, interest bearing		646.4	122.9	125.7
Tax liabilities		24.8	60.6	45.1
Liabilities hold for sale		-	0.7	-
Other current liabilities, non-interest bearing		815.9	620.0	715.5
Total current liabilities		*1,487.0*	*804.3*	*886.4*
Total equity and liabilities		**3,473.5**	**2,936.1**	**3,030.6**
Financial instruments measured at fair value				
Derivatives with positive fair value		0.9	-	1.3
Derivatives with negative fair value		1.4	-	0.1

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

Condensed statement of changes in equity

	Attributable to owners of the parent						
CLX Group, SEK million	**Share capital**	**Other capital contributions**	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Opening balance 1 January 2017	5.0	881.5	16.9	-44.3	859.1	5.9	865.0
Total comprehensive income			-8.2	43.6	35.4	0.3	35.7
Acquisition of minority share in Caleo				-7.9	-7.9	-5.0	-12.9
Warrants issue		8.3			8.3		8.3
New share issue	0.4	487.7			488.1		488.1
Issue expenses, net after tax				-8.0	-8.0		-8.0
Closing balance 30 September 2017	**5.4**	**1,377.5**	**8.7**	**-16.7**	**1,374.9**	**1.2**	**1,376.0**
Opening balance 1 January 2018	5.4	1,377.7	36.7	73.7	1,493.4	1.1	1,494.6
Total comprehensive income			5.1	76.1	81.1	-0.4	80.8
Warrants issue		9.3			9.3		9.3
Issue expenses, net after tax				-0.4	-0.4		-0.4
Closing balance 30 September 2018	**5.4**	**1,387.0**	**41.8**	**149.3**	**1,583.0**	**0.8**	**1,583.8**

Condensed statement of cash flows

CLX Group, SEK million	Note	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Cash flow before changes in working capital		69.3	36.0	142.0	134.1	189.2	197.1
Changes in working capital		-116.0	-129.1	70.1	-144.6	-138.0	76.7
Cash flow from operating activities		**-46.6**	**-93.1**	**212.1**	**-10.5**	**51.3**	**273.9**
Net investments in tangible and intangible assets		-6.6	-5.2	-21.5	-16.2	-30.2	-35.5
Change in financial receivables		1.9	5.8	-17.7	-0.1	-6.2	-23.8
Acquisition of subsidiary	5	-38.3	-8.1	-321.4	-464.2	-526.1	-383.3
Cash flow from investing activities		**-43.0**	**-7.5**	**-360.6**	**-480.6**	**-562.6**	**-442.6**
New borrowing		0.0	-0.1	136.8	515.7	515.8	137.0
Amortization of bank loan		-40.1	-373.8	-113.3	-405.3	-436.9	-144.8
Bank overdraft facility		79.8	-	79.8	-	-	79.8
New share issue/warrants	3	8.1	-1.9	8.1	485.0	485.3	8.4
Cash flow from financing activities		**47.9**	**-375.9**	**111.5**	**595.4**	**564.2**	**80.3**
Cash flow for the period		**-41.8**	**-476.4**	**-37.0**	**104.3**	**52.9**	**-88.4**
Cash and cash equivalents at the beginning of the period		177.0	690.0	164.6	115.3	115.3	212.4
Exchange rate differences in cash and cash equivalents		-2.8	-1.1	4.9	-7.2	-3.7	8.5
Cash and cash equivalents at the end of the period		**132.5**	**212.4**	**132.5**	**212.4**	**164.6**	**132.5**

Other disclosures

CLX Group, SEK million	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	R12M
Share information						
Basic earnings per share, SEK	0.71	0.22	1.42	0.85	2.58	3.10
Diluted earnings per share, SEK	0.71	0.22	1.42	0.85	2.58	3.10
Basic weighted average number of shares*	53,602,089	53,602,089	53,602,089	51,435,734	52,002,693	53,602,089
Diluted weighted average number of shares*	53,602,089	53,602,089	53,602,089	51,435,734	52,002,693	53,602,089
Number of ordinary shares at the end of the period	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089
Total number of shares at the end of the period	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089	53,602,089
Financial position						
Equity attributable to owners of the parent	1,583.0	1,374.8	1,583.0	1,374.8	1,493.4	1,583.0
Equity ratio	45.6%	46.9%	45.6%	46.9%	49.3%	45.6%
Equity per share, SEK	29.53	25.65	29.53	25.65	27.86	29.53
Net investments in tangible and intangible assets	6.6	5.2	21.5	16.2	30.2	35.5
Cash and cash equivalents	132.5	212.4	132.5	212.4	164.6	132.5
Net debt	514.2	320.1	514.2	320.1	348.8	514.2
Net debt / EBITDA RTM, multiple	1.7	1.3	1.7	1.3	1.3	1.7
Employees						
Number of FTEs	406	359	382	338	340	376
Percentage female	21%	21%	21%	20%	20%	21%
Key figures						
Operating margin, EBITDA	10.2%	8.6%	8.2%	8.7%	8.6%	8.2%
Operating margin, EBIT	5.1%	4.4%	3.9%	4.4%	4.1%	3.8%
Net margin, profit for the period	3.9%	1.5%	2.7%	2.1%	4.4%	4.4%

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

Segment reporting

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

Jul - Sep 2018, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
External revenue	**902.2**	**38.1**	**20.4**	**18.5**	-	**979.3**
Internal revenue	1.1	1.4	0.1	-	-2.5	-
Gross profit	**189.6**	**35.0**	**11.6**	**14.1**	-0.4	**249.9**
EBITDA	**87.3**	**8.2**	**-3.6**	**6.7**	0.9	**99.4**
Depreciation, amortization and impairment						-49.4
EBIT						**50.0**
Finance expenses						-1.8
Profit before tax						**48.3**

EBITDA for the parent company amounts to SEK -2.6 million. Unallocated items include acquisition costs of SEK -0.4 million, integration costs of SEK -4.5 million and released unused restructing provision of SEK 8.9 million.

Jul - Sep 2017, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
External revenue	**725.7**	**43.0**	**12.6**	-	-	**781.4**
Internal revenue	0.5	1.0	0.1	-	-1.5	-
Gross profit	**148.0**	**39.1**	**9.5**	-	1.5	**198.1**
EBITDA	**62.7**	**17.3**	**-3.7**	-	-9.3	**67.0**
Depreciation, amortization and impairment						-32.5
EBIT						**34.5**
Finance expenses						-20.6
Profit before tax						**13.9**

EBITDA for the parent company amounts to SEK -4.5 million. Unallocated items include acquisition costs of SEK -0.3 million, integration costs of SEK -4.5 million and gain from proceeds of sale of SEK 0.1 million.

Jan - Sep 2018, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
External revenue	**2,649.0**	**102.4**	**52.9**	**31.0**	-	**2,835.3**
Internal revenue	2.1	3.8	0.2	-	-6.1	-
Gross profit	**550.0**	**95.4**	**30.5**	**22.8**	-0.1	**698.5**
EBITDA	**265.2**	**13.1**	**-13.3**	**8.9**	-41.0	**232.9**
Depreciation, amortization and impairment						-122.8
EBIT						**110.1**
Finance expenses						-5.3
Profit before tax						**104.8**

EBITDA for the parent company amounts to SEK -16.2 million. Unallocated items include acquisition costs of SEK -9.2 million, integration costs of SEK -24.5 million and released unused restructuring provision of SEK 8.9 million.

Jan - Sep 2017, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
External revenue	**1,987.6**	**126.3**	**34.9**	-	-	**2,148.8**
Internal revenue	1.6	4.0	0.1	-	-5.7	-
Gross profit	**437.4**	**115.9**	**26.8**	-	0.0	**580.2**
EBITDA	**208.8**	**41.4**	**-12.8**	-	-50.2	**187.2**
Depreciation, amortization and impairment						-93.4
EBIT						**93.8**
Finance expenses						-37.9
Profit before tax						**55.9**

EBITDA for the parent company amounts to SEK -10.5 million. Unallocated items include acquisition costs of SEK -9.2 million, restructuring costs of SEK -15.0 million, integration costs of SEK -15.3 million and gain from proceeds of sale of SEK 0.1 million.

Distribution of external net sales by segment

Jul - Sep 2018, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
Net sales by customers country/region						
Sweden	55.3	6.0	3.7	-	-	65.0
France	95.0	-	0.1	-	-	95.1
UK	180.1	0.5	0.7	-	-	181.2
Germany	84.8	0.7	0.3	-	-	85.9
Other countries in the European Union	105.5	11.7	2.2	-	-	119.4
USA	286.4	0.4	10.5	18.5	-	315.9
Rest of the world	95.1	18.9	2.9	-	-	116.9
Total	**902.2**	**38.1**	**20.4**	**18.5**	**-**	**979.3**
Net sales by products/services						
Messaging	901.4	-	20.4	16.7	-	938.5
Initial software licenses and upgrades	0.1	10.7	-	-	-	10.8
Hardware	-	-	-	-	-	-
Support	0.7	27.4	-	0.6	-	28.7
Other	-	0.0	-	1.3	-	1.3
Total	**902.2**	**38.1**	**20.4**	**18.5**	-	**979.3**
Net sales allocation per point in time						
Over time	0.3	9.5	-	-	-	9.7
At one point in time	902.0	28.6	20.4	18.5	-	969.6
Total	**902.2**	**38.1**	**20.4**	**18.5**	-	**979.3**

Jan - Sep 2018, SEK million	Enterprise Division	Operator Division	Sinch	Vehicle	Parent company, unallocated items and eliminations	Group
Net sales by customers country/region						
Sweden	157.3	24.5	11.3	-	-	193.0
France	325.4	-	0.1	-	-	325.5
UK	440.0	1.3	2.0	-	-	443.2
Germany	264.5	2.9	0.3	-	-	267.6
Other countries in the European Union	377.5	29.0	8.5	-	-	415.1
USA	726.6	0.4	23.3	31.0	-	781.3
Rest of the world	357.6	44.4	7.6	-	-	409.6
Total	**2,648.9**	**102.4**	**53.0**	**31.0**	**-**	**2,835.3**
Net sales by products/services						
Messaging	2,646.3	-	53.0	27.2	-	2,726.5
Initial software licenses and upgrades	0.7	30.7	-	-	-	31.3
Hardware	-	0.0	-	-	-	0.0
Support	1.9	71.7	-	1.2	-	74.9
Other	-	0.0	-	2.6	-	2.6
Total	**2,648.9**	**102.4**	**53.0**	**31.0**	-	**2,835.3**
Net sales allocation per point in time						
Over time	1.0	28.5	-	-	-	29.5
At one point in time	2,647.9	73.9	53.0	31.0	-	2,805.8
Total	**2,648.9**	**102.4**	**53.0**	**31.0**	-	**2,835.3**

Parent company

CLX Communications AB (publ) owns and manages the shares attributable to the CLX Group. The group's operational and strategic management functions have been centralized to the parent company. At the end of the period, the parent company had 13 (6) employees. The parent company has no external business activities and the risks are mainly related to the operations of the subsidiaries.

Condensed parent company income statement and balance sheet

CLX Communications AB, SEK million	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017
Operating revenue	22.0	6.0	13.0
Operating costs	-39.5	-16.6	-26.2
Operating loss, EBIT	**-17.4**	**-10.6**	**-13.2**
Finance income & expenses	60.2	-120.0	-110.4
Profit/loss after financial items	**42.8**	**-130.6**	**-123.5**
Appropriations	-	-	133.6
Tax on profit/loss for the period	-9.5	28.7	-2.3
Profit/loss for the period	**33.3**	**-101.9**	**7.8**

CLX Communications AB, SEK million	9/30/2018	9/30/2017	12/31/2017
Assets			
Non-current assets	2,148.8	2,010.4	2,046.1
Current assets	34.9	15.0	186.7
Total assets	**2,183.7**	**2,025.4**	**2,232.9**
Equity and liabilities			
Equity	1,459.7	1,308.5	1,418.2
Untaxed reserves	8.3	6.6	8.3
Non-current liabilities	-	449.1	427.4
Current liabilities	715.7	261.2	378.9
Total equity and liabilities	**2,183.7**	**2,025.4**	**2,232.9**
Pledged assets and contingent liabilities	350.0	350.0	350.0

Note 1 – Accounting policies

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

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

Effective 1 January 2018, CLX applies IFRS 15 *Revenue from Contracts with Customers*, which supersedes IAS 11 and IAS 18. CLX's revenues are derived mainly from sales of services where performance obligations, the point in time at which control of the service is passed to the customer and payment terms are all clearly identifiable. Analysis of the effects of IFRS 15 based on the Enterprise Division, the Operator Division, Sinch and Vehicle is finalized. The transition to IFRS 15 has had no effect on CLX's financial statements, other than the extended disclosures that must be presented for the current financial year in accordance with the forward-looking method. Distribution of revenues is shown on page 21.

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

IFRS 16 *Leases* will supersede IAS 17 *Leases* and application is mandatory from 1 January 2019. IFRS 16 requires the lessee to report virtually all leases on the statement of financial position (balance sheet). Consequently, leases will no longer be classified as either operational or financial. The leases most significant to CLX in terms of value are rental agreements for office premises. Analysis of the effects of the implementing IFRS 16 is in progress. It is not yet possible to fully quantify the effects of the transition, but one is that the implementation will affect CLX's EBITDA, total assets and equity ratio.

Note 2 – Pledged assets and contingent liabilities

The shares in CLX Networks AB and Symsoft AB have been pledged as collateral for the obligations within the current loan agreement. The consolidated value of pledged assets at 30 September 2018 amounted to SEK 450.3 million (459.7). In addition, floating charges in these companies of SEK 20 million (20) and SEK 25 million (25), respectively, have been pledged as collateral for the loan agreement. Other guarantees amounted to SEK 4.5 million (5.6).

Note 3 – Incentive program

Within the framework of the incentive program adopted by the annual general meeting held 18 May 2018, 1,306,600 warrants have been subscribed for by senior executives and key employees within CLX, including 500,000 warrants subscribed by CEO Oscar Werner. The program is divided into three series, with exercise periods of 22 June - 22 September 2021, 22 March - 22 June 2022 and 2023, respectively. All participants have been granted one third of their warrants in each series. The average fair value per warrant was SEK 8.03 at grant date. The exercise price is SEK 91.30 per share in all series.

Participants outside the US and the UK have paid a premium of SEK 8.03 per warrant, through which CLX has realized SEK 8.8 million in equity These participants received their warrants with no obligations, but CLX has the right to repurchase the warrants if the participant's employment with the company ends before the respective exercise point or if the participant wishes to transfer the warrants.

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

Warrants	
Opening balance 1 January 2018	1,205,700
Allocation of warrants	1,306,600
Closing balance 30 September 2018	**2,512,300**
Of which in own custody	27,500

Vested warrants	
Vested as per 1 January 2018	98,785
Vested during the period	64,131
Vested as per 30 September 2018	**162,916**
Warrants not yet vested	436,584

Payroll costs for vested warrants are included in profit and loss for the period of January to September 2018 in the amount of SEK 0.6 million, with a corresponding increase in equity. Social insurance costs are included in the amount of SEK 0.2 million, recognized as a provision in the balance sheet. The total cost of the warrant program is expected to be approximately SEK 6 million distributed across the term of the programs. Please refer to Note 21 of the 2017 annual report for detailed information concerning the group's incentive programs adopted in 2016.

The warrants have not been assessed as dilutive during the period because the exercise price has exceeded the average share price. The potential dilutive effect upon exercise of all employee warrants is 4.7 percent.

Note 4 – Reconciliation of tax on profit for the period

Reconciliation of tax expense for the year	**Jan-Sep 2018**	**Jan-Sep 2017**
Profit before tax	104.8	55.9
Tax calculated at Swedish tax rate, 22%	-23.1	-12.3
Tax attributable to previous years	-4.1	-
Tax effect of non-deductible expenses	-2.1	-3.1
Tax effect of non-taxable revenue	0.3	9.7
Tax on standard interest rate, tax allocation reserves	0.0	0.0
Tax effect of non-capitalized loss carryforwards	0.0	-0.1
Effect of changed tax rates	0.1	-
Effect of foreign tax rates	0.2	-6.1
Tax on profit of the year according to income statement	**-28.7**	**-11.8**

Note 5 – Acquisition of group companies

Unwire

The acquisition of 100 percent of the share capital in Unwire Communication ApS was closed on 27 March, and the company was included in the consolidated accounts from that date. The purchase consideration was DKK 148 million (SEK 205.3 million) on a cash- and debt-free basis. The acquisition was financed with expanded credit facilities of DKK 100 million (SEK 136.8 million) and cash reserves. According to the preliminary acquisition analysis, goodwill of SEK 128.2 million arose upon acquisition, mainly attributable to the expertise and expanded geographic range contributed by Unwire. The estimated useful life of proprietary software and customer relationships PSMS is three years. The estimated useful life of other customer relationships and operator relationships is ten years.

Vehicle

The acquisition of 100 percent of the share capital in Vehicle Agency LLC was closed on 4 April and the company was included in the consolidated accounts from that date. The initial purchase consideration was USD 8 million (SEK 67.1 million) on a cash- and debt-free basis. In addition, an earnout of USD 4 million (35.8) was paid in July. The acquisition was financed with cash reserves. The purchase agreement provides for additional earnouts based on sales and EBITDA performance of a maximum of USD 18 million. The anticipated outcome discounted to present value amounts to USD 14.8 million (SEK 132.6 million) and has been recognized as a liability. According to the preliminary acquisition analysis, goodwill of SEK 148.7 million arose upon acquisition, mainly attributable to the expertise and expanded geographic range contributed by Vehicle. The estimated useful life of proprietary software and customer relationships is ten years and the estimated useful life of the brand is one year.

Acquisition analyses

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

Purchase price allocation

Purchase consideration, SEK million	Unwire	Vehicle
Original purchase consideration	205.3	67.1
Additional purchase consideration	-	35.8
Additional purchase consideration, debt	-	132.6
Settlement working capital	1.6	3.1
Settlement cash and cash equivalents	-	2.7
Total purchase consideration	**206.9**	**241.4**
Fair value acquired net assets	-78.7	-92.6
Goodwill	**128.2**	**148.7**

Effects of acquisitions on consolidated cash and cash equivalents

Investing activities Jan - Sep 2018, SEK million	Unwire	Vehicle	Sinch	Dialogue	Total
Original purchase consideration	205.3	67.1	-	-	272.4
Settlement working capital	1.6	3.1	-	-	4.7
Settlement debt	-	-	-	7.1	7.1
Additional purchase consideration	-	35.8	-	-	35.8
Settlement cash and cash equivalents	-	2.7	-	-	2.7
Cash and cash equivalents in acquired entity	-8.0	-2.7	-	-	-10.7
Expenses directly linked to the acquisition	5.9	2.3	0.1	1.0	9.3
Effect on consolidated cash and cash equivalents from acquisitions	**204.8**	**108.4**	**0.1**	**8.1**	**321.4**

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

Jan - Sep 2018, SEK million	Unwire	Vehicle
Net sales	60.5	31.0
Profit after tax for the period	18.1	6.5

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

Jan - Sep 2018, SEK million	Unwire	Vehicle	Other entities	Amortization acquired assets	Total
Net sales	88.9	42.3	2,743.1	-	2,874.3
Profit after tax for the period	27.4	7.6	69.4	-14.8	89.6

Definitions of financial terms, performance measurements and operational measurements

Financial measurements defined under IFRS:

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

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

Financial measurements not defined under IFRS:

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

Operational measurements

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

Forthcoming reporting dates

Year-end report, January – December 2018	22 February 2019
Interim report, January – March 2019	17 May 2019
Half-yearly report, January – June 2019	19 July 2019
Interim report, January – September 2019	8 November 2019

Outlook

CLX does not publish forecasts.

Annual report

The annual report for the 2018 financial year will be available on the company's website at www.clxcommunications.com no later than three weeks before the AGM.

AGM 2019

The Annual General Meeting will be held on Friday 17 May 2019 at 14.00 CET in Stockholm. The venue for the meeting will be communicated in connection with notice of the meeting.

Nomination Committee

CLX Communications AB's nomination committee has the following composition:

- Rikard Salanto, representing Cantaloupe AB
- Jonas Fredriksson, representing Neqst D1 AB
- Thomas Wuolikainen, representing Fourth National Swedish Pension Fund
- Joachim Spetz, representing Swedbank Robur
- Erik Fröberg, representing CLX Communications AB (publ)

Shareholders wishing to make proposals to the nomination committee can do so by writing to:
CLX Communications AB (publ), Lindhagensgatan 74, 112 18 Stockholm, Sweden, or by e-mail to nomination@clxcommunications.com. Proposals for the AGM must be received by the nomination committee not later than 15 March 2019.

Risk assessment

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

Forward-looking statements

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

Assurance

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

For additional information, please contact:

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Odd Bolin, CFO	+46 70 428 31 73

Stockholm, 6 November 2018

Erik Fröberg Chairman	Kjell Arvidsson	Bridget Cosgrave
Renée Robinson Strömberg	Johan Stuart	Björn Zethraeus

Oscar Werner
President and CEO

Note: CLX Communications AB (publ) is required to publish the information in this interim report pursuant to the EU market abuse regulation. The information was submitted for publication on 6 November 2018 at 07.30 CET.

This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply.

Auditor's review report

Introduction

We have reviewed the interim report for CLX Communications AB (publ) for the period of 1 January 2018 – 30 September 2018. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 6 November 2018

Deloitte AB

Erik Olin
Authorized Public Accountant