Press release

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CLX COMMUNICATIONS AB acquires German technology company Xura Secure Communications GmbH

Stockholm, Sweden – CLX Communications AB (publ.) - XSTO:CLX

CLX Communications, a leading global provider of cloud-based communication services, announces that it has acquired the German technology company Xura Secure Communications GmbH, a subsidiary of Xura Inc.

“CLX was founded on a vision to become the world’s largest and leading player in the market for mobile cloud-based communications, with solutions for text, voice and Internet of Things – IOT. Following the IPO in October 2015, the acquisitions in 2016 of Mblox and Sinch AB, and now the acquisition of Xura Secure Communications GmbH, were strategic steps in achieving that vision,” says Johan Hedberg, President and CEO, CLX Communications.

CLX’s strategy is to build a leading global market position through acquisition, and following the two acquisitions last year, it has quickly become a major power in cloud-based communications. In addition, CLX’s strong customer base consists of many leading brands and enterprises, in industries that collectively represent a very exciting opportunity for further growth.

“Through the acquisition of Xura Secure Communications GmbH we bring further value to our customers by offering market-leading security solutions,” concludes Johan Hedberg.

Background and rationale for the acquisition of Xura Secure Communications GmbH

The market for communication between companies’ business-critical applications and customers (A2P) is growing very strongly, irrespective of whether this uses text messaging, voice-based solutions or the Internet of Things – IOT. Even before its market listing in 2015, CLX had a clear strategy to take a leading role in the consolidation of a fragmented market. The acquisitions of Mblox, Sinch and now Xura Secure Communications are clear evidence that CLX is delivering on this strategy.

Since it’s launch, Xura Secure Communications GmbH has succeeded in building a strong market position and today has a market share of over 30 percent in Germany.

Through the acquisition of Xura Secure Communications GmbH, the Enterprise Division of CLX Communications has strengthened its considerable presence in Germany.

Xura Secure Communications GmbH also has a strong position in banking, logistics and aviation, and has for a number of years delivered services such as secure login for online banks, notifications for logistics companies and check-in for airlines.

The transaction

Price

CLX is acquiring Xura Secure Communications GmbH at a price of USD 15.5 million (equivalent to approximately SEK 138 million) on a cash- and debt-free basis. The purchase price is being paid in cash in connection with the shares being made available.

Furthermore, an additional consideration of USD 1.5 million (equivalent to approximately SEK 13.4 million) can be payable conditional on reaching set targets relating to the outcome of Xura Secure Communications gross profit in the current year.

Information about Xura Secure Communications GmbH

Xura Secure Communications GmbH was founded in 2001 (under the name Mindmatics), and in 2014 the company was acquired by Acision, which later changed its name to Xura Secure Communications.

The company has since built a strong market position in Germany. The company has 16 employees at its office in Munich.

Xuras revenues were 25.5 MEUR in 2016 with an EBITDA of 2.14 MEUR.

Estimated impact on CLX's operations

During 2017–2018 it is estimated that the acquisition of Xura Secure Communications GmbH will cost CLX in the range of SEK 20–24 million in integration and restructuring costs. The transaction costs are expected to be in the range of SEK 6–8 million, charged to profit in Q1 2017.

Timetable, integration and organization:

The company is consolidated as of 16 February 2017, after which the planned integration work will commence and CLX expects Xura Secure Communications to be fully integrated toward the end of 2018.

For further information please contact

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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 companies to quickly, securely and cost-effectively communicate globally with customers and connected devices – Internet of Things (IoT).

CLX's solutions enable business-critical communications worldwide via mobile messaging services (SMS), voice services and mobile connectivity services for the IoT. CLX has grown profitably since the company was founded. The Group is headquartered in Stockholm, Sweden, and has presence in a further 20 countries.

CLX Communications' shares are traded at NASDAQ Stockholm - XSTO:CLX.

To learn more please visit: www.clxcommunications.com

About Xura Secure Communications GmbH

Xura Secure Communications Gmbh is one of Germany's leading mobile messaging companies, processing more than 500M messages per year for some of the country's largest banking and aviation organizations. Offering some of the highest security standards in Germany, Xura Secure Communications is listed as a preferred mobile transaction authentication number (mTAN) provider for Germany`s largest banking networks.

Xura Secure Communications GmbH ("Xura Secure Communications"), is a subsidiary of Xura Inc. ("Xura"), a leading global provider of digital communications services.

Important information

This communication may contain certain forward-looking statements. Such statements are all statements that do not relate to historical facts and include expressions such as "believe", "estimate", "anticipate", "expect", "assume", "predict", "intend", "may", "presuppose", "should" or similar. The forward-looking statements in this release are based on various estimates and assumptions that in several cases are based on additional assumptions. Although CLX believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that are difficult or impossible to predict and that are beyond CLX's control. Such risks, uncertainties and important factors could cause the actual results to differ materially from the results expressly or implicitly indicated in this communication through the forward-looking statements. The information, perceptions and the forward-looking statements in this release apply only as of the date of this release and may change without notice.

Every care has been taken in the translation of this press release. In the event of discrepancies, however, the Swedish original will supersede the English translation.

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