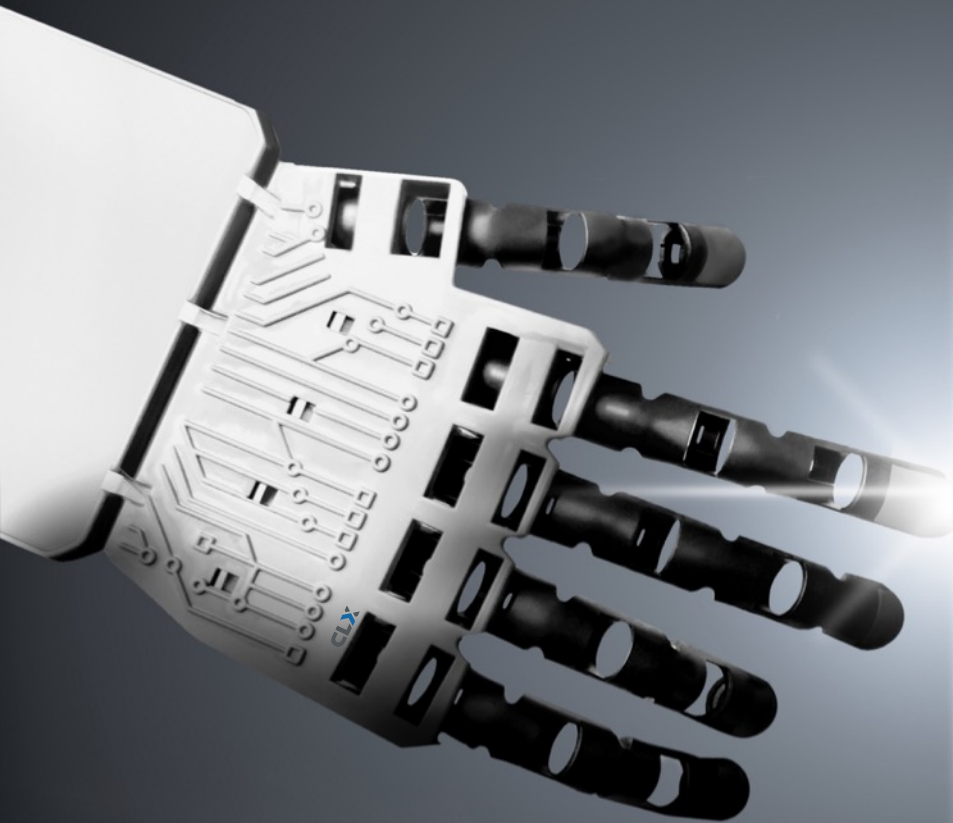




Connecting People and Things to a World of
Infinite Possibilities



2015 – 2016 Q5 Interim Report

Stockholm November 15, 2016

Johan Hedberg, CEO

Odd Bolin, CFO

Thomas Ahlerup, IR

Fifth Quarter 2015 – 2016 Earnings Call

The Quarter in brief....

Conference Call overview

1. Business update – market overview
2. Brief summary of financial performance
3. Integration of Mblox
4. Business Update – Enterprise and Operator divisions
5. Margin uplift program
6. Pre-launch of CLX IoT – Internet of Things



Fifth Quarter 2015 – 2016 Earnings Call

Business update – market overview

- **A2P Communication is exploding**
 - Application usage is growing fast, the interactions between consumers and businesses are increasingly taking place through an application; mobile application or through a website, rather than face-to-face or over the phone.
 - The consequence? – an accelerating need to build and integrate communication capabilities at the core of enterprise applications to automate, simplify, and scale interactions and communication need.
- **A2P is becoming Cloud Based**
 - Cloud-based platforms offer developers easy-to-use APIs for access, flexibility, and scalability. And with more applications being built for cloud-only environments, the adoption of cloud-based A2P communication is likely to explode
- **CPaaS (Communication Platform as a Service) market is already large and is growing rapidly when A2P-communication capabilities expands (voice, messaging, video, security online.)**
- **High-growth Total Addressable Market (TAM)**
 - IDC forecasts the overall (cloud and legacy) A2P messaging market to grow from \$25.2 billion in 2015 to \$34.3 billion in 2019.
- **A highly fragmented market drive opportunities to grow – organically and through acquisitions**
 - With a market leading position, a leading technology and strong financial position CLX will be an active part in the consolidation of the market.
- **Internet of Things – IoT is making progress**

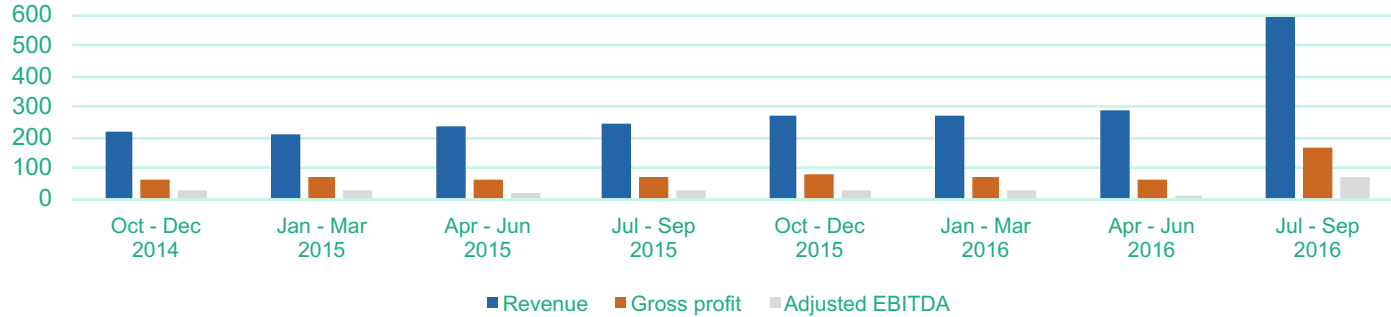
Q5 – Highlights

- Revenue increased with 143 percent to SEK 590.2 million (243.2).
- Gross profit was SEK 164.9 million (73.4).
- EBITDA was SEK 28.1 million (13.5).
- Adjusted EBITDA, excluding items affecting comparability, was SEK 72.1 million (23.2).
- Adjusted EBITDA margin was 12.2 percent (9.5).
- EBIT was SEK 7.3 million (12.0).
- Net profit was SEK 16.5 million (9.2).

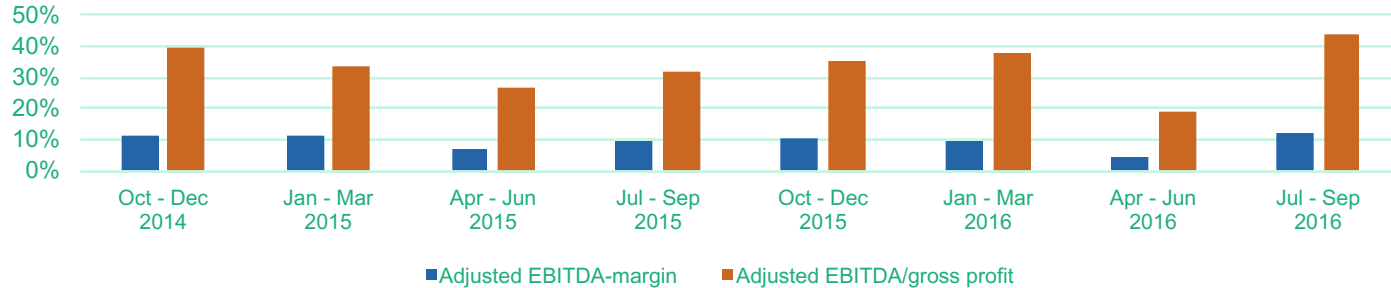
YTD – Highlights

- Revenue increased with 53 percent to SEK 1,664.4 million (1,087.6).
- Gross profit was SEK 452.9 million (325.3).
- EBITDA was SEK 93.8 million (106.7).
- Adjusted EBITDA, excluding items affecting comparability, was SEK 162.0 million (112.4).
- Adjusted EBITDA margin was 9.7 percent (10.3).
- EBIT was SEK 66.0 million (100.8).
- Net profit was SEK 58.4 million (62.3).

Revenue and profit



EBITDA-margin and EBITDA/gross profit



Enterprise Division update

Integration of Mblox Update

- The acquisition has created a strong, strategic position in the US where margins are considerably higher.
- As previously communicated, we also expect annual synergies of USD 10 million, which will contribute to higher profitability.
- Operationally assessed and planned synergies from the acquisition has exceeded expectations.
- A new organization has been created to ensure the successful integration of Mblox, both operationally and financially.
- To achieve full synergies from the acquisition a technology project has been initiated, intended to migrate all customers to a uniform technical platform.



Enterprise Division update

Margin Uplift program:

- Updated internal pricing policies.
- Automated price barriers etc. within the Group's integrated technology platform.
- Corporate bonus models with a greater focus on margin targets of additional business.
- CLX will continuously evaluate and take action addressing the profitability of customers.
- Renegotiation of operator agreements, based on increased traffic volumes



Operator Division update

Operator division according to plan.

- Solid order book.
- Solid sales pipeline.
- Capacity upgrade project delivery according to plan.



INTERNET OF THINGS



CLX *"Connecting People and Things to a World of Infinite Possibilities"*

Going Forward

- Following a successful acquisition and integration of Mblox, CLX will continue to focus on growth, both organically and through acquisitions, and to deliver value for our shareholders.
- Continued investments in our Tier 1 Network that offer most direct connections in the industry to support mission critical Enterprise applications.
- Why is direct connections important:
 - Security
 - Highest delivery rates
 - Lowest latency
- Continued investments in broaden our A2P communication service portfolio.

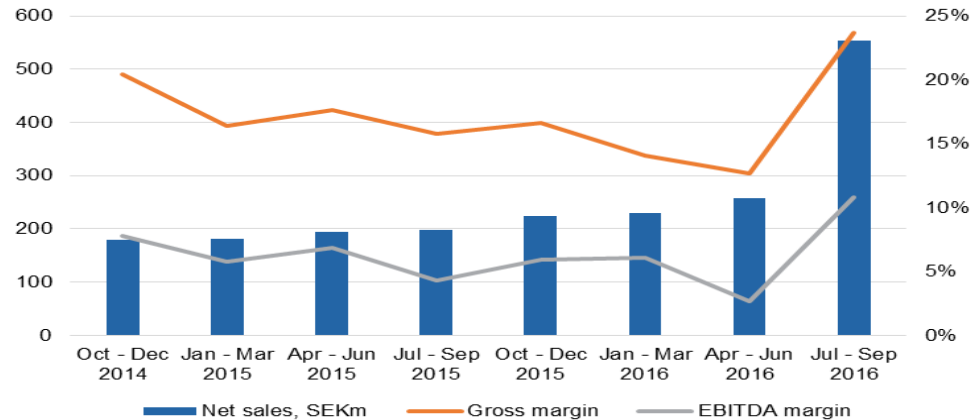
Outcome Q5

CLX Group, SEK million	Jul - Sep 2016	Jul - Sep 2015	Jul - Sep 2015/16	Jul - Sep 2014/15	Jul - Jun 2014/15	R12M
Net sales	590.2	243.2	1,664.4	1,087.6	844.4	1,421.2
Gross profit	164.9	73.4	452.9	325.3	251.9	379.5
Gross margin	27.9%	30.2%	27.2%	29.9%	29.8%	26.7%
Operating profit, EBITDA	28.1	13.5	93.8	106.7	93.1	80.2
EBITDA margin	4.8%	5.6%	5.6%	9.8%	11.0%	5.6%
Adjusted EBITDA	72.1	23.2	162.0	112.4	89.1	138.8
Adjusted EBITDA margin	12.2%	9.5%	9.7%	10.3%	10.6%	9.8%
Adjusted EBITDA / gross profit	43.7%	31.6%	35.8%	34.6%	35.4%	36.6%
Operating profit, EBIT	7.3	12.0	66.0	100.8	88.7	53.9
EBIT margin	1.2%	4.9%	4.0%	9.3%	10.5%	3.8%
Adjusted EBIT	51.3	21.7	134.2	106.5	84.7	112.5
Adjusted EBIT margin	8.7%	8.9%	8.1%	9.8%	10.0%	7.9%
Profit for the period	16.5	9.2	58.4	62.3	52.9	49.1
Net margin	2.8%	3.8%	3.5%	5.7%	6.3%	3.5%
Cash flow from operating activities	-34.2	-10.9	5.6	84.1	94.9	16.5
Equity ratio	36.3%	14.8%	36.3%	14.8%	12.4%	36.3%
Diluted earnings per share, SEK	0.34	0.21	1.44	1.73	1.53	1.22
Average number of employees	208	150	177	144	138	181

Outcome – Enterprise Division

- Continued high revenue growth: 179% in the quarter, of which 35% was organic
- Higher gross margin driven by Mblox acquisition and positive developments on existing customer base.
- The US is now our largest market, closely followed by EU and then ROW.
- First launch of commercial IoT application to limited number of existing beta customers.

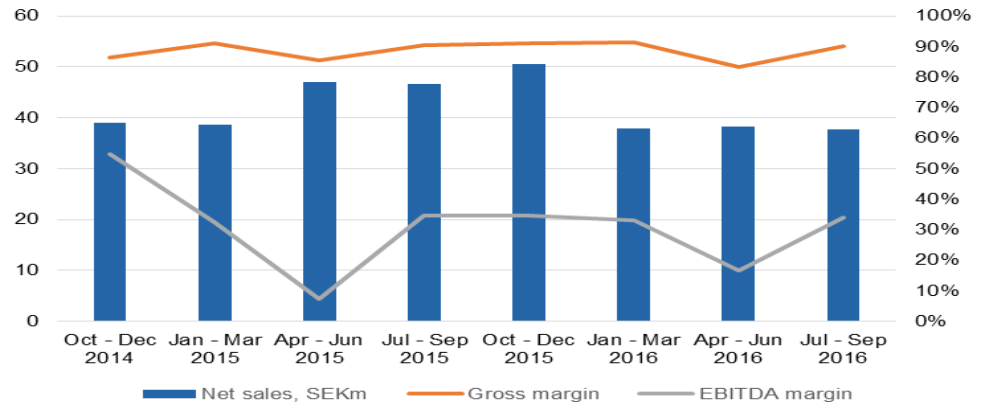
SEK million	Jul-Sep 2016	Jul-Sep 2015	Jul-Sep 2015/16	Jul-Sep 2014/15	Jul-Jun 2014/15	R12M
Revenue	552.8	197.9	1,461.6	909.7	711.8	1,263.7
Gross profit	130.8	31.2	264.2	163.7	132.5	233.0
Gross margin	23.7%	15.8%	18.1%	18.0%	18.6%	18.4%
EBITDA	59.8	8.5	102.5	62.9	54.4	94.0
EBITDA margin	10.8%	4.3%	7.0%	6.9%	7.6%	7.4%



Outcome – Operator Division

- Temporary revenue decline due to limited revenue from large on-going projects booked during the quarter.
- The division's revenue and profits can vary quite considerably between quarters, driven by how large projects develop.
- The division is continuing to invest in its Platform-as-a-service and Managed service offerings to meet the demands of its customers.

SEK million	Jul – Sep 2016	Jul – Sep 2015	Jul – Sep 2015/16	Jul – Sep 2014/15	Jul – Jun 2014/15	R12M
Revenue	37.8	46.6	210.9	201.2	154.6	164.3
Gross profit	34.1	42.3	188.7	180.1	137.8	146.4
Gross margin	90.3%	90.6%	89.5%	89.5%	89.2%	89.1%
EBITDA	12.8	16.2	65.2	50.9	34.7	49.0
EBITDA margin	34.0%	34.7%	30.9%	25.3%	22.5%	29.8%



Questions?



“Connecting People and Things to a World of Infinite Possibilities”

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