

The Board of Directors of SDS has resolved on a directed issue of shares to the public

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The Board of Directors of Seamless Distribution Systems AB (publ) ("SDS" or the "Company") has today resolved on a directed issue of shares to the public in Sweden of no more than 2.5 MEUR, corresponding to approximately 26.5 MSEK (the "Offering"), based on the authorization given by the annual general meeting on 3 June 2020. The purpose of the Offering is to get a wider distribution of the ownership of the Company's shares to create prerequisites for a more liquid trading in the share, as well as to finance growth investments and the ongoing acquisition strategy. The subscription price for the shares in the Offering shall be equal to the volume weighted average price for the share on Nasdaq First North Premier Growth Market ("Nasdaq First North Premier") during the application period, which will run between 17 September until 29 September 2020, with a discount of ten (10) percent.

The Offering in short

- The Offering comprise no more than 750,000 new shares and is directed to the public in Sweden. The purpose of the Offering, and the reason for the deviation from the shareholders' pre-emption rights, is to increase the number of shareholders in the Company, to create prerequisites for an increased liquidity in the share and to further increase the Company's financial position to finance further growth.
- The subscription price for the shares in the Offering shall be equal to the volume weighted average price for the share on Nasdaq First North Premier during the application period, which will run between 17 September until 29 September 2020, with a discount of ten (10) percent.
- The Offering will amount to no more than 2.5 MEUR, corresponding to approximately 26.5 MSEK, and hence no prospectus will be registered for the transaction. As the Offering can amount to no more than 26.5 MSEK, the number of shares in the Offering can, depending on the final subscription price, amount to less than 750,000.
- Allocation in the Offering will be decided by the Company's Board of Directors. If the Offering is oversubscribed, allocation will primarily be given to as many investors as possible with minimum lots and thereafter pro-rata. In addition, the Board of Directors may prioritize allocation to strategic investors.

- Applications for subscription of shares shall be done on Avanza's online platform. An application to subscribe for shares must be for a minimum of 150 shares, and thereafter in even lots of 10 shares.
- SDS has today published an information memorandum with full terms and conditions for the Offering, which is available on the Company's website and will be made available on Avanza's website.

Background and rationale for the Offering

SDS is a Swedish software company that offers its customers a comprehensive solution for digital sales, distribution and processing of electronic transactions that are built into the customer's IT infrastructure and processes. SDS has approximately 20 years of experience in delivering systems for large-scale distribution and sales, primarily in emerging markets.

Since SDS' listing on Nasdaq First North Premier in 2017, the Company has enjoyed a notable organic growth which has been complemented with an acquisition strategy that has been formulated since then. The Company's acquisition strategy focuses on acquiring companies that complement the Company geographically and/or SDS' product offering. During the time as a listed company, SDS has acquired the software company eServGlobal, which complements SDS' operations geographically. The Company has also acquired Seamless Digital Distribution, which grants SDS its own distribution operations in the Nordic markets.

The development of the acquired companies has exceeded the Company's expectations with realized synergies on both the revenue and cost side, which are expected to be fully achieved during the fourth quarter of 2020. In addition, organic growth has focused on establishing the Company on new markets, increasing the share of recurring revenue and using new technology to ensure that the Company is at the forefront.

In order to increase the market's knowledge of SDS and to increase the liquidity in the trading of the share, the Company's Board of Directors has decided to carry out the Offering. The Company's assessment is that the market in which SDS operates will also continue to be consolidated, a consolidation of which the Company wishes to be an active part. A strengthened financial position gives the Company opportunities to continue the successful acquisition strategy and to increase the pace of innovation.

The Offering

The Offering comprise no more than 750,000 new shares and the subscription price for the shares in the Offering shall be equal to the volume weighted average price on Nasdaq First North Premier between 17 September until 29 September 2020, with a discount of ten (10) percent. No commission will be paid for subscribed shares. The Offering cannot amount to more than 2.5 MEUR, corresponding to approximately 26.5 MSEK, and hence the number of shares in the Offering can, depending on the final subscription price, amount to less than 750,000.

If the Offering is fully subscribed, the Company will receive proceeds of approximately 26.5 MSEK, before deduction of transaction costs. The Offering can entail a dilution of no more than approximately 8.25 percent of the number of shares and votes in the Company, through an increase in the number of shares by 750,000, from 8,341,135 to 9,091,135. The share capital can increase by no more than 75,000.00 SEK, from 834,113.50 SEK to 909,113.50 SEK.

In order to enable delivery of shares to investors in connection with the allocation in the Offering, ÖstVäst Capital Management, a majority shareholder in SDS, has lent 750,000 shares to Avanza Bank AB.

Indicative time schedule

- An information memorandum has today, 16 September 2020, been published and is available on the Company's website.
- The application period will run between 17 September until 29 September 2020, and applications for subscription of shares shall be Avanza Bank AB at hand no later than 29 September 2020, 23.59 CEST.
- The outcome of the Offering is expected to be announced on 1 October 2020.
- Information regarding allocation is expected to be given on 1 October 2020, by means of a contract note.
- Settlement day is expected to be 5 October 2020.

Advisors

Avanza Bank AB acts as financial advisor and Advokatfirmaet Schjødt AS, filial acts as legal advisor to SDS in connection with the Offering.

For more information contact:

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This is information that Seamless Distribution Systems AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 18.00 CEST on 16 September 2020.

About Seamless Distribution Systems AB (SDS)

SDS is a Swedish software company group that provides solutions and services for digital sales and distribution to private consumers through mobile operators in emerging markets. The company offers its corporate customers a comprehensive solution for digital distribution and electronic transactions processing. SDS acquired eServGlobal in July 2019. The SDS Group now has customers in all parts of the world, with a footprint in more than 50 countries, reaching over 500 million mobile users through more than 2,000,000 active points of sale. SDS has approximately 220 employees in Sweden, France, Romania, Belgium, Ghana, Nigeria, USA, Pakistan, India, Indonesia, South Africa, Ecuador and the United Arab Emirates. With over 30 years of experience, SDS focuses on high-level customer satisfaction and efficient operations. SDS manages over 15 billion transactions annually, worth more than 14 billion US dollars and enables the growing populations in emerging markets to become part of the mobile revolution. SDS shares are listed on Nasdaq First North Premier.

The company's Certified Adviser is FNCA Sweden AB, phone number 08-528 00 399, email: info@fnca.se

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in SDS. Any invitation to the persons entitled to subscribe

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Forward-looking statements

This press release contains certain forward-looking statements that reflect SDS current views and expectations of future events, as well as financial and operational development, including statements regarding the Offering and statements regarding guidance, planning, outlook and strategies. Words that are "intended", "assessed", "expected", "planned", "estimated", "can", and other terms that imply indications or predictions regarding future developments or trends and which are not based on historical facts, are forward-looking information. Although SDS believes that these statements are based on reasonable assumptions and expectations, SDS cannot guarantee that such forward-looking statements will be realized. Since these forward-looking statements include both known and unknown risks and uncertainties, actual outcomes may differ materially from what is stated in forward-looking information. Forward-looking statements in the press release are valid only at the time of the press release and are subject to change without notice. The Company makes no commitment to publish updates or revisions to forward-looking statements as a result of new information, future events or the like in addition to what is required by applicable laws or stock market regulations.