

Press Release

December 4th, 2019

SDS receives major order in South Africa worth SEK 20 million

SDS has received an order from one of South Africa's largest mobile operators, which is also Africa's largest carrier group with operations across several countries. This is the first order received by SDS in South Africa and has an initial value of SEK 20 million. South Africa is the region's most advanced market and the deal strengthens SDS's position on the African continent.

The order, which is one of SDS's largest ever, includes a system for digital distribution and sales of electronic securities. The central part of the delivery is SDS's own ERS 360 transaction platform. It handles digital accounts, transactions, and provides support for multi-channel sales. Furthermore, it enables communication with sales agents and handles reseller commissions and incentives.

With around 100 million mobile subscribers, South Africa is the region's most developed market but at the same time has some traits of a developing market. The complexity of the market requires a good business understanding of the local ecosystem in order to handle digital distribution. A contributing reason for SDS winning the order is the company's leading software, its stability and its ability to deliver business support in conjunction with the introduction and construction of a smooth running ecosystem around the customer's digital business.

Delivery will start immediately and SDS plans to complete the project part of the deal before the end of the second quarter of 2020. Revenue is expected to be generated in 2019 and 2020.

"Few outside SDS have seen the change work we have undertaken in recent years to achieve these results. As a result of this order, our distribution solution serves an additional 30 million mobile customers, which means that our platform today services about 500 million subscribers. South Africa is the largest and most advanced market in the region, which is proof of our leadership in the area. Now we continue to focus on our strategy 2020 and onwards.", Says Tommy Eriksson, CEO of SDS.

The transaction in South Africa will entail an order for operation and maintenance services once the system is installed in the customer's data center. This order, together with previous transactions in 2019 will result in increased recurring yearly revenue of approximately 4 million SEK from 2021 onwards. This is in line with the updated strategy SDS published in October earlier this year, both in terms of organic growth in new markets, and a larger proportion of recurring revenue, which is expected in the future.

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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 countries. 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 point-of-sales. SDS has approximately 230 employees in Sweden, France, Romania, Belgium, Ghana, Nigeria, USA, Pakistan, India, Indonesia, South Africa, Ecuador and the United Arab Emirates. With over 20 years of experience, SDS focuses on high-level customer satisfaction and efficient operations. SDS manages over 15 billion transactions annually, worth more than 12 billion US Dollars and enables the growing population of emerging countries to become part of the mobile revolution.

SDS shares are listed on Nasdaq First North Premier.

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