

Press Release

7 May 2021

SDS completes acquisition of Riaktr

Seamless Distribution Systems AB (“SDS” or “the Company”) has today signed a final agreement to acquire all shares and assets in Real Impact Analytics S.A. (“Riaktr”). The purchase price on a cash and debt-free basis amounts to EUR 10.4 million.

Through the acquisition, SDS gains access to a company that offers; i) advanced complementary technology and a considerably expanded customer portfolio both in Africa and new markets, ii) has more than 50 percent recurring revenues from SaaS, and iii) brings critical technology and product enhancements to the SDS portfolio that enables an acceleration of the Group's organic growth.

The acquisition strengthens SDS's operational efficiency with Riaktr adding both complementary products and a cutting-edge development and technology team in Belgium focused on Business Intelligence and Big Data Analytics.

With Riaktr joining the SDS Group, the geographical coverage and customer base is expanded, with several large, global and regional telecom operators such as Orange, Glo and Proximus, where the latter means that SDS receives customers located in Europe.

"The acquisition of Riaktr is a transformational move in further developing SDS as a company. With Riaktr, SDS moves faster to a new strategic level in terms of the Group's value chain, technology, customer base and geographical coverage. The acquisition fits perfectly into our growth strategy and that we continue to deliver on our planned profitability journey", says Tommy Eriksson, CEO of SDS.

Riaktr, headquartered in Brussels, Belgium, has its own R&D team, customer success management- and sales-organization in Belgium and South Africa. The product portfolio comprises innovative platforms for advanced analytics of Big Data and processes for sales optimization as well as network infrastructure optimization for telecom and network operators. The advanced proprietary platform offers end-to-end solutions through concrete insight models and tangible action points for telecom operators that increases their competitiveness, efficiency as well as reduce capital expenditures.

The joint operations are expected to achieve significant synergies through higher efficiency in product development as well as economies of scale in sales, support and administrative units. The synergies, in terms of profitability and growth, are expected to emerge as early as 2021, but full effect is expected in 2022.

SET-OFF ISSUE

In connection with and in support of this transaction, existing shareholder loans in SDS of SEK 44.2 million have been converted into shares that were fully subscribed and approved at the Annual General Meeting on April 22, 2021. This is a strong signal from existing major shareholders and senior executives about their support for this acquisition.

SENIOR SECURED BOND LOAN

The Company has successfully placed a senior secured bond loan with an initial volume of SEK 200 million within a framework of SEK 300 million. The bond has a tenor of three years and carries interest at an annual rate of 3 months STIBOR plus 875 basis points. SDS intends to apply for listing of the bond on the Corporate Bond List of Nasdaq Stockholm. The bond was significantly oversubscribed and attracted demand from investors across the Nordics and continental Europe.

Pareto Securities AB acted as financial advisor and Gernandt & Danielsson Advokatbyrå KB as legal advisor in connection with the bond issue.

As previously communicated to the market via a press release on March 17, 2021, the net proceeds from the bond loan will be used to finance the purchase price for the acquisition of Real Impact Analytics SA ("Riaktr"), refinance existing interest-bearing loans and to finance general corporate purposes.

"The bond loan represents another step in further developing SDS's ability to execute on our growth strategy. The unanimous decision of the AGM to convert the existing shareholder loans to shares and the repayment of the previous interest-bearing loans is a further step towards a significantly stronger financial structure. We are now looking forward to the integration of Riaktr and SDS", says Tommy Eriksson, CEO of SDS.

For additional information, please contact:

Martin Schedin
Chief Financial Officer
+46 70 438 14 42
martin.schedin@seamless.se

ABOUT SDS

SDS is a Swedish international software company that specializes in mobile payment services for mobile operators, distributors, retailers and consumers. SDS ensures that Telecom operators can sell their telephone subscriptions, where SDS products and services handle up to 90% of the Telecom operator's sales. Today, SDS have implemented solutions in fintech, advanced analysis and retail value

management, and where these solutions have succeeded, they are transformed into so-called SaaS solutions.

Following the acquisition of Riaktr, SDS has approximately 300 employees in Sweden, France, Belgium, Romania, South Africa, Ghana, Nigeria, Ivory Coast, United Arab Emirates, Pakistan, India and Indonesia.

Following the acquisition of Riaktr, SDS will annually handle more than 15 billion transactions worth over USD 14 billion. Via over 3 million monthly active resellers of digital products, more than 700 million consumers are served globally.

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