

## Interim report April – June 2018

Seamless Distribution Systems AB, P.O.Box 353, 101 27 Stockholm | [www.seamlessdistributionsystems.com](http://www.seamlessdistributionsystems.com) | Org. no: 556979-4562

# Interim report for the period April 1 – June 30, 2018

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Press release July 13th, 2018

### April - June

- Net sales amounted to MSEK 18.9 (16.9), an increase of 12% compared to the same quarter last year
- Net sales excluding withholding tax amounted to MSEK 17.1 (14.4), an increase of 19%.
- EBITDA result amounted to MSEK 2.4 (2.6)
- EBITDA margin amounted to 12.2% (15.2)
- Profit after tax amounted to MSEK 2.1 (-1.3)
- Profit per share amounted to SEK 0.30 (-0.20)
- Total cash flow amounted to MSEK 0.8 (-2.8)

### January - June

- Net sales amounted to MSEK 31.1 (40.4), a decrease of 23% compared to the same quarter last year
- Net sales excluding withholding tax amounted to MSEK 27.7 (34.2), a decrease of 19%
- EBITDA result amounted to MSEK -0.6 (10.5)
- EBITDA margin amounted to 0.0% (26.1)
- Profit after tax amounted to MSEK -4.2 (4.9)
- Profit per share amounted to SEK -0.61 (1.52)
- Total cash flow amounted to MSEK 1.4 (0.5)

### CEO comment

“We are now beginning to see the benefits of hard work on long term and I am pleased to be able to present an EBITDA result for the second quarter pointing in the right direction. The result was due to a good order intake that enabled a net sales of SEK 18.9 million, the strongest quarter since the first quarter of 2017. Due to our business model and cost structure, it proves that only a few large deals are required for the company to show good profitability.

In the second quarter, SDS ownership has changed and we have new owners from management and board as well as a number of external investors. This is due to the acquisition of all SDS shares corresponding to 23 percent of ownership and the acquisition of the entire loan of SEK 35 million from Invuo. Further, it was very positive that the owner consortium waived SEK 3 million of the accrued interest on the loan and also participated in a rights issue above market price that added SDS 7 million.

Business during the quarter was dominated by a large order from a new customer in a new market in East Africa. More than half of the order value has been recognized in the second quarter and the remainder will be recognized as income during the third quarter. In addition, we received orders for a license upgrade as well as a number of add-on orders from existing customers.

Furthermore, we have signed a new deal for reseller credits with a large mobile operator for launch in the third quarter. We are pleased with the development of the reseller credit business thus far after testing the concept of some smaller mobile operators during the first half of the year. During the last days of the quarter, we signed a smaller agreement for delivery of our ERS 360 base system to another new customer in a new market. It includes the first delivery of ERS 360 with our new integration with the Diameter Protocol, which further increases ERS 360's ability to integrate with a wide range of features in a mobile network. Diameter is an open

standard for communication between applications used by most mobile operators. This integration opportunity is expected to further strengthen our customer relationships in the long run.

The number of opportunities continues to increase and we continue to work on new mobile operators. In parallel, we plan to launch a number of new products, primarily to the existing customer base.

A brand new business concept has been launched, albeit on a small scale, called International Value Transfer (IVT). The business model means, in short, that we use our customers and business contacts as channels for making international transfers. We have started with one of our existing customers in Nigeria and have advanced discussions with a few more mobile operators for launch in the third quarter.”

Tommy Eriksson, CEO, Seamless Distribution Services AB”

For the complete report see the [attached file. Download »](#)

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This information is the information that Seamless Distribution Systems AB (publ) is required to disclose under the EU Market Abuse Regulation.

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*About Seamless Distribution Systems AB (SDS)*

*SDS is a Swedish software company with solutions for electronic distribution of services to private consumers through mobile operators in emerging countries. The company offers its corporate customers a comprehensive solution for digital transactions. The company has customers in 28 markets that reach over 200 million mobile consumers through more than 675,000 retailers. SDS has about 140 employees in Sweden, Belgium, Ghana, USA, Pakistan, India, Ecuador and the United Arab Emirates. With over 16 years of experience, SDS focuses on high level of customer satisfaction and effective development. SDS manages over 5.3 billion transactions annually and enables the growing population of emerging countries to become part of the mobile revolution.*

*SDS share is listed on NASDAQ First North Premier.*

*The company's Certified Adviser is Mangold Fondkommission AB, telephone number +46 8-5030 1550.*