

Nasdaq First
North Premier:
SDS

Interim report

Q2 2020

Seamless
Distribution Systems

Interim report Q2

April - June 2020

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
Net sales	70,964	54,574	156,156	105,678
Operating profit/loss	7,105	236	13,140	3,699
Operating margin (EBIT)	10.0%	0.4%	8.4%	3.5%
EBITDA	13,896	3,318	26,792	9,521
EBITDA marginal	19.6%	6.1%	17.2%	9.0%
Profit/Loss for the period after tax	5,160	-1,016	8,463	1,460
Total cash flow	627	-2,795	-1,520	-2,276
Earnings per share, before and after dilution	0.62	-0.13	1.05	0.19
Equity/assets ratio	25.0%	25.1%	25.0%	25.1%

MATERIAL EVENTS DURING THE SECOND QUARTER

- Seamless Distribution Systems (SDS) received a new order of SEK 2.5 million from a mobile operator in the largest market in the Middle East. The order was received from a customer of eServGlobal (which was acquired by SDS in July 2019) and is an addition to an earlier order from 2019. The order includes additional services and hardware to automate the critical sales and distribution system. The customer moves to the SDS transaction platform, ERS 360, which enables the highest availability of business-critical charging of prepaid cards to millions of customers.
- SDS received two new orders, with a total value of SEK 2.1 million, from an existing customer who is one of the leading mobile operators in Côte d'Ivoire and from the leading mobile operator in Djibouti. The orders concerns software functions that add new capacity to the existing operational critical platform.
- SDS received three orders, with a total value of approximately SEK 6 million, from existing customers; the two leading mobile operators in the Middle East and the leading operator in Eswatini (formerly Swaziland). Customers have ordered improvements to various parts of the SDS product offering. The functions ordered from the various customers include an upgrade of the transaction platform ERS 360, an upgrade of mobile financial services MFS (Mobile Financial Services), and a new platform for managing the life cycle of vouchers (Voucher Management System).
- SDS received two orders, with a total value of SEK 1.3 million, from an existing customer who is one of the leading mobile operators in the Bahamas. The orders concerns software functions that add new capacity to the existing operational critical platform.

Seamless
Distribution Systems

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FINANCIAL CALENDAR

Interim report Q3 2020	2020-10-22
Year-end report Q4 2020	2021-02-18



CEO's comments

SDS continues to perform well even during the second quarter of the year despite a strongly changed world. Compared with the corresponding half-year last year, sales increased by 48% to SEK 156.2 million and EBIT by 255% to SEK 13.1 million. The order situation remains bright, although it varies between quarters. During the second quarter, the order situation did not reach expectations, but the third quarter started with a strategically important agreement with the leading mobile operator in Nigeria. The agreement covers our service for micro credit to resellers, which increases both recurring revenue and our service offering. We have an increasing digital market presence and broader customer processing, which gives confidence going forward. I look forward to a second half-year with additional new customer sales as a complement to the existing customer base.

During the protracted COVID-19 pandemic, we have continued to work from home in most regions, which have not affected us negatively. We have rather seen that productivity has increased. SDS is a virtual company, which is one of our strengths, not the least in this time. However, we have seen challenges in working remotely with some of our customers, which has led to some delays in integration and production. This has affected cash flow to some extent, but we are constantly working closely with our customers to support and deliver at the planned pace. It is gratifying to see the higher availability of our more senior contacts with new and existing customers, which in many cases has had a very positive effect on dialogue aimed at increased sales.

In our work to realize the synergies from the acquisition of eServGlobal, all of our three largest customers have decided to migrate to the SDS ERS 360 platform. The continued restructuring of the acquisition has been affected by the pandemic and we have a delay of approximately two months. Despite this, we have been able to see a continued increase in customer satisfaction in the customer base.

At the beginning of April, we launched our new digital marketing platform, where we can follow in detail contacts that show interest in SDS and our offer. In connection with this, we have also significantly increased our communication on social networks. At the beginning of June, we conducted our first webinar where we received fantastic interest with over 90 registered participants. It is good timing to have the marketing digitized and I see lots of potential customers who are automatically processed and qualified before they are taken care of by someone from our sales team.

Our already broad high-tech product portfolio has continued to develop and is now complete to manage the indirect channel of mobile operators and distributors in a cloud-based environment. Of particular interest is the company's new products for digitization of sales and distribution of physical products, which have attracted great interest from both existing and new customers. We now have an offer that covers resale and consumers' buying behavior with mobile operators and through our new analytics platform we can deliver insights into buying patterns, which provides increased added value and the opportunity to act on the right information. We see today that we are the only ones in the market to hold this position and it bodes well for our continued organic growth not only in the developing markets but also in more advanced and mature markets.

It is particularly satisfying that during this first half of the year we have strengthened our equity, reduced our debt and cost of capital. During the first half of the year, we worked on our capitalization and made a set-off issue of SEK 19 million in bridge loans raised in connection with the acquisition of eServGlobal. We have also extended a working capital loan of SEK 9.2 million from July one year onwards to a lower interest rate and raised a loan of just under 5 percent interest from Almi of SEK 7 million backed by a loan of SEK 3 million from private investors, including myself and the chairman of the board.

It was with satisfaction that I was able to tell about SDS to a wider audience during the quarter, as I was invited to investor presentations at Erik Penser Bank and Pressträff Direkt, which were both broadcast live on the web and became available for viewing afterwards.

SDS has been affected by the corona pandemic but the assessment is that the impact is, and will be, marginal. The company's employees can complete their work fully from home and all installations can take place remotely. The growth strategy established in the autumn of 2019 remains and will continue to be executed in all parts. SDS has a long and stable upswing behind it and a clear growth strategy that should interest more investors in the future.

Tommy Eriksson
CEO, Seamless Distribution Systems AB

Financial overview

April - June 2020

NET SALES

Net sales during the second quarter amounted to KSEK 70,964 (54,574), an increase of 30.0% compared with the same period last year. Other operating income amounted to KSEK 1,425 (2,063). The decrease compared with the first quarter was due to a decline in sales at SDD of approximately SEK 5 million, largely due to the corona pandemic. The pandemic also had a negative effect on SDS sales as some orders that were expected to close during the second quarter have been postponed and are expected to close during the third quarter. In the first quarter, SDS sold hardware for approximately SEK 4 million, which was not done during the second quarter.

Net sales during the first half of the year amounted to KSEK 156,156 (105,678), an increase of 47.8% compared with the same period last year. Other operating income amounted to KSEK 2,797 (3,427).

The increase during the second quarter and first half of the year follows our analysis made at the acquisition of eServGlobal and consists of this addition.

Order intake during the first half of the year has nevertheless been good under the circumstances and business opportunities continue to increase and the number of prospectuses is at a very satisfactory level.

The company's business model means that major projects affect revenues and earnings between quarters.

OPERATING EXPENSES

Operating expenses during the second quarter amounted to KSEK 65,284 (56,401), an increase of 15.7% compared with the same period last year.

The decrease against the first quarter's operating costs of KSEK 80,529 is explained by lower material costs due to SDD's sales being approximately SEK 5 million lower, no hardware costs, significantly lower travel costs and a large part of the French workforce being laid off during the second quarter.

The increase towards the second quarter of 2019 is mainly explained by the fact that SDS in 2019 acquired eServGlobal, which during the second quarter has approximately 60 employees.

Operating expenses during the first half of the year amounted to KSEK 145,813 (105,407), an increase of 38.3% compared with the same period last year.

The increase towards the first half of 2019 is mainly explained by the fact that SDS in 2019 acquired eServGlobal, which during the second quarter has about 60 employees.

OPERATING PROFIT

EBITDA profit for the second quarter amounted to KSEK 13,896 (3,318).

Net financial items for the quarter amounted to KSEK -1,573 (-1,159).

Profit before tax amounted to KSEK 5,532 (-923).

Earnings per share amounted to SEK 0.62 (-0.13).

The EBITDA result for the first half of the year amounted to KSEK 26,792 (9,521).

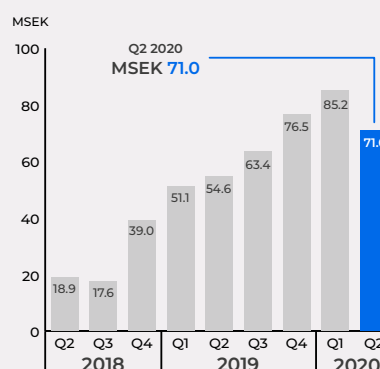
Net financial items for the first half of the year amounted to KSEK -3,488 (-2,034).

Profit before tax amounted to KSEK 8,463 (1,460).

Earnings per share amounted to SEK 1.05 (0.19)

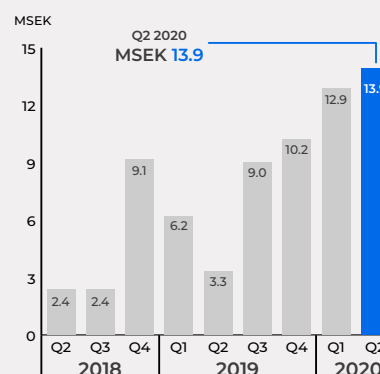
Net sales

71,0 MSEK



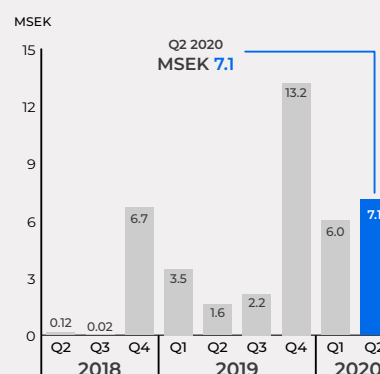
EBITDA result

13,9 MSEK



EBIT result

7,1 MSEK



Marketing and sales

During the second quarter, SDS completed the projects commissioned last year and worked to complete those won during the first half of the year. In addition to the work of completing the projects, the sales organization continues with the task of increasing the company's pipeline. During the second quarter, order intake was below expectations. This is mainly due to the fact that negotiations have dragged on and these are now expected to be closed during the third quarter. These are most likely effects of the corona pandemic. However, our assessment is that order intake is good and we are looking ahead with confidence.

The relationship building during the second quarter has continued very positively with the customers who came to us with the acquisition of eServGlobal which has resulted in eServGlobal's three largest customers switching to SDS software ERS360. This will give the customers access to SDS's entire product portfolio of additional features and be a great potential for customers to increase sales and reduce their costs. Through increased insight into their business and tools to stimulate further additional sales at the customer's retailers.

In parallel with ongoing procurements and business discussions, work continues on reshaping and strengthening the sales organization, which will strengthen the structure and presence in more markets. Continued focus on recurring revenues will bring SDS closer to the goal that these should exceed the company's fixed costs.

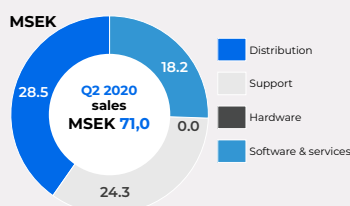
SDS sees a slight decline in customer activity on the transaction platform during the second quarter. During the quarter, SDS handled more than \$ 3.5

billion in its systems. Most of the company's customers' goal is for 100 percent of their sales to take place digitally, which paves the way for continued growth in existing customers. SDS can also expect, partly license expansions, partly the need for new functions as the markets become more sophisticated. The company's product portfolio is high-tech, well-developed and continues to broaden with the needs of customers and the market. Of particular interest is the company's new products for digitization of sales and distribution of physical products, which have attracted great interest from both existing and many new customers. We also see interest from developed markets such as Europe, which indicates opportunities for further expansion based on the new product portfolio. Common to all markets is the interest in understanding more about their customer and sales, which is why the new cloud offering for analytics is particularly promising for future additional sales of both products and services.

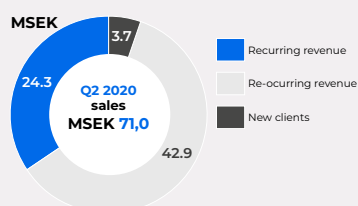
SDD, the Group's distribution operations in the Nordic region, saw a decline in sales during the second quarter due to the corona pandemic in April and May, but in June sales reversed and are expected to return to the levels it had during the first quarter.

The Group has been affected by the corona pandemic, but the assessment is that the impact is and will remain marginal. The company can carry out its work fully from home and all installations can take place remotely. The growth strategy established in the autumn of 2019 remains and will continue to be executed in all parts.

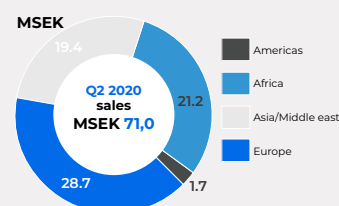
Product offering



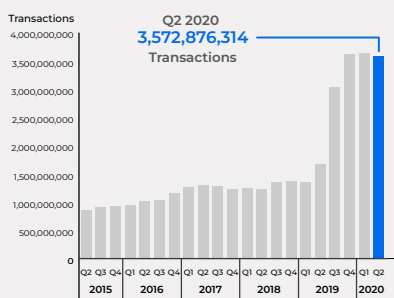
Sales distribution



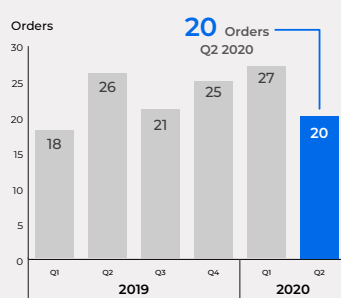
Geographic sales



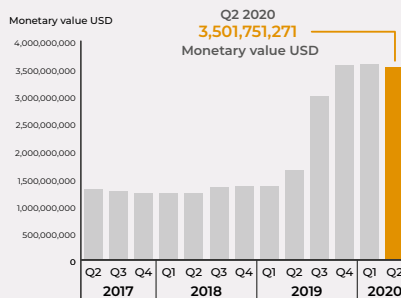
Number of transactions handled by ERS 360 per quarter



Number of orders won per quarter



Monetary value managed by Seamless system per quarter



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
Operating revenue				
Net sales	70,964	54,574	156,156	105,678
Other operating revenue	1,425	2,063	2,797	3,427
Total operating revenue	72,389	56,637	158,953	109,105
Operating expenses				
Material expenses	-29,357	-33,222	-68,951	-60,734
Other external expenses	-12,514	-11,166	-28,032	-22,814
Personnel costs	-16,051	-4,406	-34,464	-8,493
Depreciation and amortization	-6,791	-3,083	-13,652	-5,822
Other operating expenses	-571	-4,525	-714	-7,543
Total operating expenses	-65,284	-56,401	-145,813	-105,407
Operating profit/loss	7,105	236	13,140	3,699
Financial items				
Financial income	-	-	3	-
Financial expenses	-1,574	-1,159	-3,490	-2,034
Net financial items	-1,574	-1,159	-3,488	-2,034
Profit/Loss before tax	5,532	-923	9,652	1,665
Income tax	-371	-93	-1,189	-204
Profit for the year attributable to the Parent Company's shareholders	5,160	-1,016	8,463	1,460
Other comprehensive income				
<i>Items that may be reclassified to profit for the year:</i>				
Translation differences	-2,839	7	-1,021	202
Total comprehensive income attributable to Parent Company's shareholders	2,321	-1,009	7,442	1,662

CONSOLIDATED BALANCE SHEET

KSEK	2020-06-30	2019-06-30	2019-12-31
Assets			
Intangible assets	82,730	46,353	82,743
- IP rights	16,417	19,083	17,750
- capitalized development costs	66,313	27,270	64,993
Tangible fixed assets	14,715	5,444	15,235
Financial assets	890	1,351	972
Inventories of finished goods	1,484	1,689	2,856
Accounts receivable	39,872	27,842	45,569
Other receivables	14,196	1,874	11,741
Prepayments and accrued income	52,256	16,787	34,112
Cash and cash equivalents	13,264	2	14,851
Total assets	219,407	101,340	208,079
EQUITY AND LIABILITIES			
Equity	54,901	25,418	27,770
Other long-term liabilities	53,415	42,772	52,673
Overdraft	9,834	-	8,766
Trade payables	29,254	15,601	25,785
Current tax liabilities	767	563	508
Other current liabilities	38,179	1,276	63,553
Accrued liabilities and deferred income	33,058	15,710	29,024
Total equity and liabilities	219,407	101,340	208,079

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
At beginning of period	52,580	26,427	27,770	23,756
Comprehensive income for the period	2,321	-1,009	7,442	1,662
Offsetting share issue		-	19,689	-
Shareholder contribution		-		-
At end of period	54,901	25,418	54,901	25,418

CONSOLIDATED CASH FLOW STATEMENT

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
Cash flow from operating activities before change in working capital	11,674	1,374	21,567	6,706
Change in working capital	-5,253	10	-18,715	2,826
Cash flow from operating activities	6,421	1,384	2,852	9,532
Cash flow from investing activities	-5,116	-8,450	-13,036	-10,875
Cash flow from financing activities	-678	4,271	8,664	-933
Cash flow for the period	627	-2,795	-1,520	-2,276
Cash and cash equivalents at beginning of period	13,006	2,797	14,850	2,266
Exchange rate differences in cash and cash equivalents	-368	0	-65	12
Cash and cash equivalents at end of period	13,265	2	13,265	2

KEY RATIOS AND FIGURES

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
Return on equity	13.1%	-4.1%	21.5%	5.9%
Earnings per share SEK, before and after dilution	0.62	-0.13	1.05	0.19
Operating profit/loss, KSEK	7,105	236	13,140	3,699
Growth in net sales	30.0%	188.7%	47.8%	239.8%
Operating margin (EBIT)	10.0%	0.4%	8.4%	3.5%
Average number of shares before and after dilution	8,341,135	7,691,343	8,055,949	7,691,343
Number of shares outstanding at end of reporting period	8,341,135	7,691,343	8,341,135	7,691,343
Quick ratio	118%	140%	118%	140%
Equity/assets ratio	25.0%	25.1%	25.0%	25.1%
Equity, KSEK	54,901	25,418	54,901	25,418
Equity per share	6.58	3.30	6.81	3.30
Number of employees at end of period	132	58	132	58



PARENT COMPANY INCOME STATEMENT

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
Net sales	26,333	25,933	66,386	54,182
Other operating revenue	1,945	2,048	2,731	3,398
Operating expenses	-27,510	-28,453	-56,474	-55,104
Operating profit/loss	768	-472	12,643	2,476
Net financial items	-1,532	-1,065	-3,538	-1,940
Profit/Loss after financial items	-764	-1,537	9,105	536
Income tax	-	-	-	-
Net profit/loss for the period	-764	-1,537	9,105	536

PARENT COMPANY BALANCE SHEET

KSEK	2020-06-30	2019-06-30	2019-12-31
Assets			
Fixed assets	71,250	48,805	72,444
Current assets	63,792	35,218	41,152
Total assets	135,042	84,023	113,596
Equity and liabilities			
Equity	41,635	21,135	12,840
Long-term liabilities	52,584	39,250	49,766
Current liabilities	40,823	23,638	50,990
Total equity and liabilities	135,042	84,023	113,596
Pledged assets	15,000	10,000	15,000
Contingent liabilities	none	none	none

Segment information

Seamless's operations consist of two business units –

Seamless Distribution Systems AB (SDS) and **Seamless Digital Distribution AB (SDD)**

Net sales

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
SDS	43,313	25,933	96,326	54,182
SDD	28,274	29,255	61,096	52,704
Intra-Group support fee ¹	-623	-614	-1,266	-1,208
Seamless Group	70,964	54,574	156,156	105,678

Operating profit

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN
SDS	6,959	25	12,709	3,566
SDD	769	825	1,697	1,341
Intra-Group support fee ¹	-623	-614	-1,266	-1,208
Seamless Group	7,105	236	13,140	3,699

1) SDS invoices a monthly market support fee of USD 21,750 to SDD

Seamless
Distribution Systems

ABOUT SEAMLESS DISTRIBUTION SYSTEMS (SDS)

SDS is a Swedish software company that provides digital sales and distribution solutions and services to private individuals through mobile operators in emerging countries. The company offers its corporate customers a complete solution for digital distribution and electronic transaction management. SDS acquired eServGlobal in July 2019. The SDS Group now has customers in all parts of the world in more than 50 countries worldwide and reaches over 500 million mobile users through more than 2,000,000 active sales outlets. SDS has approximately 220 employees and consultants 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 customer satisfaction and efficient operation. SDS handles over 14.5 billion transactions annually, worth more than \$ 14 billion and enables the people of emerging countries to become part of the mobile revolution.

In 2019, SDS moved even more into the fintech area with our mobile money services, which is a "swish"-like service that offers transfer of money between mobiles, payment with mobile in business and microcredit to retailers. In 2019 new products were developed that will further increase sales at the retailer and provide valuable information to distributors and operators. These products include multi-terminals where the reseller can sell all the operators' offers. A Business Intelligence tool that will help operators and distributors interpret the transactions that flow through ours and their systems so that correct business decisions can be made. A warehouse and distribution system to handle the physical flows as well as a campaign and bonus system. In addition, SDS has completed its ERS 360 platform to support micro-services, which means that those using the system can roll out updates immediately and thus get a whole new scalability and reduction of the cost side.

Seamless
Digital Distribution

ABOUT SEAMLESS DIGITAL DISTRIBUTION (SDD)

SDD distributes electronic products through retail, such as mobile cash card charges and payment methods for online payment. SDD uses SDS's proprietary ERS 360 platform for digital delivery. SDD also supplies the technical platform that enables TopUp through the largest banks in Sweden. SDD's ERS platform handles approximately six million transactions annually worth SEK 500 million in the two markets on which SDD is active, Sweden and Denmark. SDD has two employees and serves more than 2,500 outlets.

In 2019, SDD has introduced solutions that SDS uses in developing countries. SDD launched its new App and web portal that enables direct communication between the reseller and mobile operator or another supplier that the reseller buys products from.

Notes

Seamless Distribution Systems AB (publ) is a Swedish public company, (corporate identity number 556979-4562) based in Stockholm, Sweden. The SDS shares are listed on Nasdaq Stockholm, First North Premier.

NOTE 1 - RISKS AND ACCOUNTING PRINCIPLES

RISKS AND UNCERTAINTY FACTORS

Seamless operations are affected by a number of external factors where different risk factors can affect the company. These risk factors can have an impact on the company's ability to achieve business goals and financial goals. The risks SDS identified as significant for the business are as follows: Market risks include political risks and the dependence of a few large customers. Operational risks include increased competition, changes in laws and regulations, the ability to retain and attract key employees, technological development, the ability to retain and attract customers, corruption and unethical business practices. Financial risks: includes financing, liquidity, credit, interest rate and currency risks.

For a detailed description of the risk factors that are considered to be of material importance for the Group's future development, please refer to the Annual Report for 2019, pages 29-30. The management's assessment is that there are no significant changes in the risk assessment made in the 2019 annual report.

ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as presented in the Group's Annual Report for 2019. The Group's functional currency is Swedish kronor, which is also the reporting currency. This report has been prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. The parent company's financial statements in summary have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. The IASB has published additions to standards effective from January 1, 2020 or later. These additions have had no material impact on SDS's financial reports.

NOTE 2 - DISTRIBUTION OF NET SALES

KSEK	SDS	
	2020 JAN-JUN	2019 JAN-JUN
Professional services/software	42,501	25,707
Licences	2,931	740
Support	47,430	20,771
Hardware	3,256	6,636
Other	208	329
SDS total	96,326	54,182

KSEK	SDD	
	2020 JAN-JUN	2019 JAN-JUN
Etop-up	60,039	51,457
Bank systems	959	939
Other	98	308
SDD total	61,096	52,704

NOTE 3 - NET SALES BY GEOGRAPHIC AREA

KSEK	SDS	
	2020 JAN-JUN	2019 JAN-JUN
Africa	58,170	46,736
Middle East and Asia	33,691	4,493
Other	4,465	2,953
SDS total	96,326	54,182

KSEK	SDD	
	2020 JAN-JUN	2019 JAN-JUN
Sweden	56,222	49,264
Denmark	4,874	3,440
Other	-	-
SDD total	61,096	52,704

NOTE 4 - TRANSACTIONS WITH RELATED PARTIES

For information on related parties, see the Group's annual report for 2019, page 64. In addition, the company received a working capital loan of SEK 9.2 million from major shareholders. The loan runs for 6 months with 15% interest. The loan can be repaid in advance and interest must be paid at the time of repayment. SDS's CEO and the chairman of the Board are among the lenders. This loan will be extended by 12 months in July 2020.

NOTE 5 - MATERIAL EVENTS AFTER THE REPORTING PERIOD

SDS has signed a microcredit reseller agreement with Nigeria's leading mobile operator. The agreement means, among other things, that SDS charges a credit fee which is shared with the operator. The service is the first of its kind in Nigeria, which is Africa's largest market, and is expected to make a positive contribution to SDS's recurring revenues from the third quarter of this year.

SDS has taken a loan of just under 5% interest from Almi of SEK 7 million backed by a loan of SEK 3 million from private investors.

Other information

AUDIT

This report has not been reviewed by the company's auditors.

ADVISERS

The company's Certified Adviser is FNCA Sweden AB, telephone +46 (0)8 528 00 399, e-mail info@fnca.se.

DISTRIBUTION OF INFORMATION

All information is published on the company website, www.sds.seamless.se, immediately after it has been made public.

Financial reports can also be ordered from SDS AB, Box 353, SE-101 27 Stockholm, Sweden, or by e-mail to sds.info@seamless.se

Seamless Distribution Systems' interim report for January to June has been approved for publication in accordance with the Board's decision on July 22, 2020. The Board of Directors and the CEO of Seamless Distribution Systems AB (publ) ensure that the interim report provides a fair overview of the parent company's and the Group's operations, position and results and describes material risks and uncertainties that the Parent Company and the companies that are part of the Group face.

Stockholm, 22 July 2020

Tomas Klevbo

Gunnar Jardelöv
Chairman of the Board

Pia Hofstedt

Martin Roos

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Financial definitions and alternative performance measures

Average number of shares	Weighted average number of shares outstanding during the period.
EBITDA	Operating profit/loss before depreciation and amortization and financial items.
EBITDA margin	Operating profit/loss before depreciation and amortization and financial items as a percentage of revenue.
Equity/assets ratio	Equity including minorities in relation to balance sheet total.
Equity per share	Equity in relation to the total number of shares outstanding.
Earnings per share	Profit/Loss after tax in relation to the average number of shares.
Growth in net sales	Net sales for the period in relation to net sales for the preceding period.
Operating margin (EBIT)	Profit/Loss before financial items and tax as a percentage of revenue.
Operating profit/loss (EBIT)	Profit/Loss before financial items and tax.
Profit/Loss after tax	Profit/Loss after financial items and tax.
Quick ratio	Cash and cash equivalents including current investments and current receivables in relation to current liabilities.
Return on equity	Profit after tax in relation to average equity.
Withholding tax	Local withholding tax on sales of royalties, licences and consultancy services is charged in many of the African countries where SDS has customers. Withholding tax varies, at 10%–20% depending on the country, and is deducted from the invoiced amount before the customer pays the supplier. SDS recognizes net sales including withholding tax and deducts the corresponding amount as an expense under the item 'Other operating expenses'.