

Press release
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SDS signs a reseller micro credit services agreement with the leading operator in Nigeria

SDS has signed a microcredit reseller agreement with Nigeria's leading mobile operator. The agreement means, among other things, that SDS does a revenue share of credit fees 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 is the first player to sign an agreement regarding microcredit services in the mobile telephony market in Nigeria. The agreement has been entered into with the country's leading operator and is based on SDS's platform ERS 360° and enables resellers of electronic prepaid topup to continue providing topup even when they do not have adequate prepaid airtime credit available.

"This innovative service is already in operation in four smaller markets since several years and we have gained experience from these operations. Adding Africa's largest market provides a fantastic opportunity to enhance our ability to add business value to our customer and at the same time take a strategic step in further increasing our recurring revenues with a pure software as a service offering. I am delighted that our efforts to move towards increased services and cloud has resulted in this success," says Tommy Eriksson, CEO of SDS AB.

The service scores resellers based on their risk profile and sales patterns and offers customized micro credit for each participant where credit ranges may vary based on advanced profiling and risk mitigation algorithms. This service allows participants to continue to receive commissions for every sale even when they are out of stock.

SDS' credit service extends a loan of airtime to resellers at SDS' own risk and cost. The airtime is bought by SDS from the operator at a discount and the reseller can then borrow airtime when they are out of stock and sell the airtime at a reduced commission.

The order includes an operator service setup fee, a reseller discount of airtime purchase and a credit fee split with the mobile operator and is expected to contribute to SDS' recurring revenue from the third quarter of this year

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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 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

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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