

Year-end report for the period
January 1 - December 31, 2019

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Year-end report for the period January 1 - December 31, 2019

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October - December

- Net sales amounted to SEK 76.5 million (39.0), an increase of 96.0% compared to the same period last year.
- EBITDA earnings amounted to SEK 1.9 million (9.1).
- The EBITDA margin was 2.5% (23.4%).
- EBITDA result without acquisition-related events & restructuring costs amounted to SEK 10.2 million.
- EBITDA margin without acquisition-related events & restructuring costs amounted to 13.4%.
- Profit after tax amounted to SEK 2.9 (5.5) million.
- Profit after tax without acquisition-related events & restructuring costs amounted to SEK 11.3 million.
- Earnings per share amounted to SEK 0.38 (0.72).
- Total cash flow amounted to SEK 10.2 million (1,1).

January - December

- Net sales amounted to SEK 245.6 (87.7) million, an increase of 179.9% compared to the same period last year.
- EBITDA earnings amounted to SEK 24.2 (10.9) million.
- The EBITDA margin was 9.8% (12.4%).
- EBITDA result without acquisition-related events & restructuring costs amounted to SEK 30.5 million.
- EBITDA margin without acquisition-related events & restructuring cost amounted to 12.4%.
- Profit after tax amounted to SEK 8.0 million (0.4).
- Profit after tax without acquisition-related events & restructuring costs amounted to SEK 14.4 million.
- Earnings per share amounted to SEK 1.04 (0.06).
- Total cash flow amounted to SEK 12.7 million (0.4).

CEO's comments

“It is with great satisfaction that I look back on 2019 and my second year as CEO of SDS. The year, and particularly the fourth quarter, was characterized by a strong business focus, where growth and increased profitability were prioritized. We ended the year positively with Group revenues of SEK 77 million during the fourth quarter, bringing us to SEK 245 million for the full year. This represents a growth of 179.9 per cent compared to 2018. These figures include the contribution from the successful acquisition of eServGlobal five months ago. Operating profit, cleared from acquisition-related provisions, amounted to SEK 21 million. We have thus allowed for all expected effects of the acquisition and can fully focus on current operations during the current year.

The last quarter of the year can only be described as a success. Thanks to technology at the forefront and a clear quality focus, we won our biggest business to date with our largest customer. The deal, worth SEK 20 million, was also our first in South Africa, which is the customer's home market. The deal was for the installation of our ERS 360 software suite. As part of the deal, there is also new software and services for analyzing the huge amount of sales data that is collected in our transaction systems, a Business Intelligence unit.

In addition, during the fourth quarter, the integration of our latest acquisition, eServGlobal, continued at a high pace and the figures clearly show that we have made an exceptionally good acquisition. We have been able to generate greater synergy effects than we had initially identified. The first critical part of the integration has been successful throughout and I now get feedback from the field that even eServGlobal's customers see the customer value that the acquisition creates.

Following the acquisition of eServGlobal and the business in South Africa, SDS is now represented in 50 countries, compared with a presence in 30 countries a year ago. The geographical expansion is fully in line with our strategy to grow both organically and through acquisitions.

In addition to these key results, we continue to see high growth in digitalisation with our customers, which has resulted in several major license upgrades. Our long-term focus on technology development combined with the work of our excellent sales organization gives me a strong belief in continued strong order intake thanks to a pipeline of good quality and size. I am especially hopeful about Southeast Asia where, with the acquisition of eServGlobal, we have established ourselves with both a sales organization and customers.

In the Nordic market, the SDD team reaps continued success by taking market share from our largest competitor, thanks in large part to our significant technological advantage. Another very positive point is that we mainly won resellers with higher margins, which was also a goal. In summary, all strategic focus areas now work excellently and the year 2020 looks bright from my horizon. This is thanks to long-term determination and efforts from all old and new employees in the SDS Group. They should all have a big thank you for the hard work they do every day and night for our customers.

Tommy Eriksson
CEO, Seamless Distribution Systems AB”

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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 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 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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