

Interim report January – March 2018

Seamless Distribution Systems AB, P.O.Box 353, 101 27 Stockholm | www.seamlessdistributionsystems.com | Org. no: 556979-4562

Interim report for the period January 1 - March 31, 2018

Press release April 24th, 2018

January - March

- Net sales amounted to MSEK 12.2 (23.5), a decrease of 48% compared to the same quarter last year.
- EBITDA result amounted to MSEK -3.0 (8.0)
- EBITDA margin amounted to -24.8% (33.9%)
- Profit after tax amounted to MSEK -6.3 (6.1)
- Profit per share amounted to SEK -0.91 (8.31)
- Total cash flow amounted to MSEK -1.4 (3.3)

CEO comment

“The first quarter of the year is a big disappointment. We had good hopes of closing some of the contract negotiations that had been going on for a long time however at the same time, the numbers of opportunities have increased during the quarter and we are nearing completion in several discussions that enhances the possibility of a recovery during the year. All the energy and focus is now on increasing sales efforts further to bringing these opportunities to a successful conclusion. The board has asked the AGM for a mandate to raise capital if required. This is considering that the kind of projects we run are capital intensive during execution.

The Support and Managed Operations revenues that increased as compared to the previous year otherwise dominate revenues in the quarter. It is good evidence of our ability to deliver on our commitments and a sign of our customers' trust and dependence on our business critical systems and above all emphasizes the benefits that our customers derive from our systems and services. Another example of that importance is that one of our existing customers has also chosen to order our "system solution for high availability", together with complementary services and hardware.

Highlights in this quarter include participation as a business partner in several customer organized workshops and events unlike the traditional role of a supplier. As a result, we have been able to broaden the scope of our engagements customer executives and have gained additional insights into their strategy and business goals. This in turn has enabled us to show that data processed by our systems have a significant impact and is business critical to the customer. Customers can, with our help, better understand consumer behaviour and, in the long run increase their competitiveness and sales.

In the markets where we launched our microcredit services, we have been met with enthusiasm from the mobile operators' sales department. Launch campaigns implemented by the mobile operators have had particularly positive results leading to a increasing use and demand for the service. Now we are involved work in continuing the roll out of the microcredit service to more mobile operators and engage in activities to further increase the use of service. If our forecasts hold true then the income from microcredits will contribute, albeit modestly, to our results during the year, but growth will make this business very interesting in the future.

Tommy Eriksson, CEO, Seamless Distribution Services AB”

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

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The date of the Q2 2018 interim report has changed from July 11th to July 13th 2018.

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

The information was submitted for publication on April 24, 2018 at 08.30 CET.

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.