

**Press Release**

**4 June 2019**

## **SDS acquires eServGlobal Holding SAS**

**SDS AB has today signed an agreement to acquire all shares and assets in eServGlobal Holding SAS (eServGlobal) with a purchase price of two (2) million Euro (21.4 million SEK). eServGlobal SAS is a global supplier of systems for electronic recharge of prepaid mobile phones and mobile financial services. With this transaction SDS has doubled its geographical presence and gained access to significant complementary technologies.**

eServGlobal is headquartered in Paris, France with its research and development, customer support organizations and sales organizations located in Paris, Grenoble, Bucharest, Dubai and Jakarta. More than 90% of its revenue comes from the Middle East, North Africa and Southeast Asia markets. The company had sales of €7.1 million in 2018 of which €4.3 million is recurring support fees. The product portfolio includes software solutions for distribution of recharge value for prepaid mobile phones and mobile financial services.

The acquisition strengthens SDS operational efficiency by increasing its product portfolio with complementary products from eServGlobal. At the same time two new major development and technology centers in France and Romania will be added.

"This is an important milestone in the growth of SDS as a company. In one single step we have now moved to a new strategic level in terms of size, revenue, profitability, customer base and geographical reach. SDS and eServGlobal combined have nearly 50 years of experience in development, delivery and operation of large-scale transaction systems. This acquisition strengthens our presence in Africa and the Middle East further and at the same time provides opportunities to reach new geographical markets with customers in Southeast Asia," says Tommy Eriksson, CEO of SDS. "A new phase of our journey to attain sustained growth and profitability has now started and in the medium term we expect to be able to increase the company's operations in Europe and America as well"

Gunnar Jardelöv (Chairman of the Board of Directors of SDS) further states that, "eServGlobal with its customer base, its employees, its market position and product portfolio adds to and reinforces the current business model of SDS. This acquisition constitutes a step in our strategic ambitions to accelerate growth and profitability while actively contributing to a structural consolidation in the industry".

In a very short period of time SDS has now executed two strategic transactions that increases the company's annual turnover from approximately 80 million SEK to more than 250 million SEK.

The merging of operations between the two companies is expected to achieve significant synergies with high efficiency in product management and development as well as economies of scale in support and administrative functions. Significant business synergies in terms of profitability and growth are expected to emerge as early as 2020 but the full effect would be visible in 2021.

“We are pleased to have found a good home for eServGlobal with the acquisition by SDS. We have worked hard to reshape the business into an asset that now has greater value as part of a complementary entity within the SDS organisation. This is good for our customers, and importantly should provide better opportunity for many of our people who have worked hard to get the company to this point. I wish SDS well in the future,” says John Conoley, Executive Chairman, eServGlobal.

The acquisition of eServGlobal will initially be financed using an acquisition loan arranged by Handelsbanken and a bridge loan from private investors including the Chairman of the Board Gunnar Jardelöv and the newly appointed board member Martin Roos. The bridge loan is for a period of 6 months from the date of the transaction. This bridge loan will cover the period until a planned new rights issue is completed based on the mandate the Board received at this year's Annual General Meeting on April 25th. The bridge loan has an annual interest rate of 15% and can be repaid in full or in part in advance.

The completion of the acquisition process is conditional of a formal approval at an EGM of eServGlobal. Such EGM is expected to be held within six weeks from today.

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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. The information was submitted for publication through the agency of the above contact person on June 4, 2019 at 12.00 CEST.

#### 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 all parts of the world that reach over 300 million mobile users through more than 1,000,000 active point-of-sales. SDS has approximately 150 employees in Sweden, Belgium, Ghana, Nigeria, USA, Pakistan, India, South Africa, Ecuador and the United Arab Emirates. With over 18 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 shares are listed on Nasdaq First North Premier.

The company's Certified Adviser is FNCA Sweden AB, telephone number 08-528 00 399.

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