

**Press Release**

**25 July 2019**

## **SDS completes the acquisition of eServGlobal Holding SAS**

**SDS AB today completes the acquisition of 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 revenues come from the Middle East, North Africa and Southeast Asia markets. The company had sales of 7.1 million euro in 2018 of which 4.3 million euro is recurring 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.

The acquisition strengthens SDS's customer base and footprint adding several important and respected global and regional telecom operators such as Ooredoo Group, Zain Group and EITC (du Dubai). SDS will handle and process annually more than 10 billion transactions, worth more than 10 billion US Dollars.

"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 with operational activities in more than 50 countries. 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"

The acquisition of eServGlobal have been financed by 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 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.

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**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 more than 200 employees in Sweden, France, Belgium, Romania, South Africa, Ghana, Nigeria, United Arab Emirates, Singapore, Indonesia, Pakistan, India, USA and Ecuador.

SDS, together with the added eServGlobal operations, will be processing annually more than 10 billion transactions worth more than 10 billion US Dollars, facilitating monthly more than 2 million active points of sales to sell digital products and serve more than 500 million consumers globally.

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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