

Seamless enters into an agreement for digital distribution business in Ethiopia

Seamless Distribution Systems AB (Seamless) enters Africa's second largest market with an agreement for an initial period of five years that covers an initial value of 5 million SEK. In addition, Seamless will receive a portion of the revenues generated by the electronic recharge sales transactions processed through its ERS platform.

Seamless will work together with its partner Smart Digital Technology in assisting Ethio Telecom with the digitalization of the value chain for distribution of airtime and other e-products. Ethio Telecom is Africa's largest mobile network operator, serving more than 66 million subscribers.

Seamless Distribution Systems and its strategic partner in Ethiopia, Smart Digital Technology, have been entrusted by Ethio Telecom to deploy Seamless' ERS platform and to provide know-how and expert services for the digitalization of the sales and distribution operations. The services will be offered to Ethio Telecom's distributors, agents and resellers enabling them to engage digitally with subscribers in the country.

The agreement covers a business engagement over an initial period of five years and the business model is consisting of two components: a guaranteed remuneration of approximately 5 million SEK for the delivery of the technology and the related set-up services as well as a revenue-share part, which implies that Seamless will be receiving a portion of the revenues generated by the transactions processed through Seamless' ERS platform.

Ethio Telecom is the sole telecom operator in Ethiopia and provides advanced mobile, fixed and Internet services to more than 66 million subscribers. The main method to use and access telecom services in Ethiopia is via prepayment which implies that subscribers are paying in advance for the services. The mean of recharging a prepaid account is to buy recharge value from one of Ethio Telecom's agents or resellers. Currently, the process of distributing recharge value to the market and recharging a prepaid subscriber's account is predominantly based on physical so-called scratch cards, with more than 300 million such scratch cards being sold and used every month. By engaging with Seamless and Smart Digital Technology, Ethio Telecom will be able to digitalize the process and the value chain and hence achieve substantial reductions in cost and increased efficiency of distribution, with regards to speed and quality of services provided to its agents and subscribers. Another key advantage will be the management and control of the services within the country. At present the current process requires import of the scratch cards, with lengthy cycles for printing and transportation, as well as exposure to costs in foreign currency.

"This business engagement enables us to offer Ethio Telecom our proven technology and the know-how accumulated by Seamless in all other markets.

Ethiopia with its population of more than 100 million people and Ethio Telecom serving more than 66 million consumers presents a great opportunity and we are very proud to have been

selected as a trusted technology and business partner in the process of digitalization of services", says Tommy Eriksson, CEO of Seamless.

"Smart Digital Technology have been engaged in discussions with Ethio Telecom in respect to the digitalization of the services in general and of the sales and distribution of recharge value in particular. Seamless is a leading company that employs latest technologies in modernizing telecom services by extensively using digital distribution and electronic prepaid recharge. We expect that the deployment of this solution will contribute to a higher efficiency in recharging mobile phones and that would also enable Ethio Telecom to easily integrate additional functions in the future. Smart Digital Technologies remains committed to the partnership, and together with Seamless' know-how and solutions we will enable a multitude of benefits to Ethio Telecom", says Surafel Belay, CEO of Smart Digital Technology.

The delivery will begin immediately and Seamless is planning to finish the initial project before the end of 2018.

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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 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.