



Preliminary result for Edgewise Q1 2018

Based on preliminary estimates, Edgewise's net sales for the first quarter 2018 will amount to about SEK 48.4 million with a gross margin of 66.7 percent compared to SEK 68.7 million and 76.2 percent for the corresponding period 2017. The EBIT for the quarter will consequently amount to about SEK -11.5 million (13.0).

The market sentiment in all regions was cautious and there was a general lack of major orders from our largest customers during Q1 2018. This, in combination with Q1 being a seasonally weaker quarter in our sector affected the quarter negatively. In addition, the gross margin of 66.7 percent, was negatively impacted by an anticipated bad debt loss (SEK 1.8 million). However, our underlying strong product gross margin remains in line with previous year. The EBIT for the quarter was also affected by a one-time sales organisation restructuring cost (SEK 1.4 million). The combination of low revenues and lower gross margin resulted in a loss for the quarter.

We are taking several actions, including the launch of a new sales organisation, to change the negative trend and return to growth. During the last year we have launched several new products and we now have a broader product portfolio to address the market with. We continue to see several new opportunities in all regions and we recently took our first order in mainland China.

"While we are very disappointed with the Q1 results and the weak start of 2018, we remain confident in our business model and we are planning for single digit growth for the full year. We see underlying growth in the market and we are adjusting our business operations to more effectively capture those opportunities says Karl Thedéen, CEO of Edgewise.

The full first quarter 2018 report will be published on May 4.

Edgewise will host a telephone conference tomorrow, April 27 at 08:30 CET with the CEO Karl Thedéen and CFO Steeve Fuhr answering questions regarding the preliminary result.

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This is information that Edgewise AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation Act. The information was submitted for publication, through the agency of the contact person set out above, at 18.00 CET on 26 April 2018.

About Edgewise

Edgewise supplies operators and content providers with systems to deliver modern TV services over the Internet at a huge scale. Edgewise's unique technology provides an outstanding viewing experience that allows its customers to retain control of their content. In recent years, Edgewise has experienced rapid growth, reaching sales of SEK 237 million in 2017.

Edgewise is headquartered in Stockholm, Sweden, with staff in 15 countries across Europe, Asia and the Americas.

For more information, visit <https://corporate.edgewise.tv>

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