

The transformation is completed - SDS is ready for scalable and profitable growth in 2026

Seamless Distribution Systems (SDS) has carried out a comprehensive restructuring in 2025, which has resulted in a focused software business with an optimized cost base. With a stable financial foundation and recurring revenues covering the company's operating costs, SDS enters 2026 with the goal of converting new business into direct profitability.

2025 has marked a clear turning point for SDS. Through vigorous measures in organization, operations and governance, the company has created "the new SDS" - a company built to deliver rising margins and lasting shareholder value.

During the year, the management and the Board of Directors carried out the difficult but necessary work of restructuring the company. The focus has been on ensuring stability and creating a low-risk platform.

Cost efficiency: A comprehensive program has reduced the cost base by SEK 66 million on an annual basis, with full effect from January 2026.

Risk minimisation: The company has gone from being dependent on a few large projects to a broader mix of smaller projects, which reduces volatility and risk in sales.

By 2026, SDS will reach break-even on existing recurring revenues. These revenues, driven by long-term, low-churn customer contracts, now cover all operating costs and interest. SDS is no longer dependent on new sales to keep the business afloat, but to grow profits. With the new cost structure, SDS has significantly greater operational leverage than before. Every new deal won strengthens cash flow and earnings.

Commercial momentum: The restructured sales organization is now in active dialogues with all key customers.

Profitability potential: Based on historical order intake and the new cost structure, the conditions for scaling the business are assessed to be significantly better than before.

Order book: The contracted order backlog from 2025 onwards is expected to be converted directly into positive results.

CEO Martin Schedin comments:

"We have done the difficult thing - adjusted, streamlined and lowered the cost base. SDS is now ready to transform our pipeline into profitable growth. Our priority for 2026 is to convert business and let the operational leverage work. I would like to warmly invite both new and existing shareholders to join us into 2026 - a year in which every new deal will be clearly visible in the income statement."

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About SDS

SDS is a Swedish international software company specializing in mobile payment services for mobile operators, distributors, retailers and consumers. SDS ensures that telecom operators can sell voice time, data and ancillary services where SDS products and services handle up to 90% of the telecom operator's sales. Today, SDS has implemented solutions in Fintech, advanced analytics and Retail Value Management, and where these products have transformed into so-called SaaS solutions for the telecom operator.

SDS has approximately 185 employees in Sweden, South Africa, Algeria, Ghana, Nigeria, the United Arab Emirates, Pakistan and India. SDS handles more than 15 billion transactions worth over \$14 billion annually. Through over 3 million monthly active retailers of digital products, more than 1 100 million consumers are indirectly served globally.

SDS's share is listed on Nordic SME on the Nordic Growth Market.