

SDS wins order worth SEK 8 million from existing customer in the Middle East - strengthens 2026 profitability outlook

Seamless Distribution Systems (SDS) has secured a strategically important SEK 8 million order from an existing customer in the Middle East for an upgrade of its Electronic Recording System (ERS) platform. The order is a spillover order from 2025, confirming continued customer commitment and ongoing momentum into 2026.

ERS is a vital component of a Telecom Operator's business support system. The solution safeguards the integrity and efficiency of business-critical operational data and supports the operator's digital infrastructure and revenue streams. The customer's decision to select SDS for this upgrade underlines SDS's robust technology platform, delivery capability, and proven track record with tier-one operators.

This order marks another clear step in SDS's transformation into a **lean, operationally leveraged and strongly profitable company**. Following a major cost optimization process in 2025 - where SDS implemented substantial restructuring and recognized related one-off charges that hampered the bottom line result - the company enters 2026 with a fundamentally improved earnings profile. **Recurring revenues for customer support now covers the total operating costs of the company**, meaning that new **license sales and implementations translate straight into earnings and cash flow**. With this structure, every additional new deal has an immediate and meaningful impact on the bottom line.

"This is an important upgrade for a very important customer. It is also a strong confirmation that our turnaround has fundamentally changed the earnings capacity of SDS," says Martin Schedin, CEO of SDS.

"Now we have secured Earnings Before Taxes (EBT) of 6-8 MSEK, and the full-year EBT for 2026 outlook is 45 MSEK to 55 MSEK based on the historical order inflow of new product licenses over the past five years. With our significantly lower cost base and higher operating leverage, each new contract materially strengthens earnings and cash flow."

The project's revenues will be recognized on an ongoing basis as the delivery progresses.

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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.