

# Interim report for the period January 1 – September 30, 2022

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Press release 2022-10-20

## July – September

- Net sales amounted to SEK 76.1 (78.7) million, a decrease of -3.3% compared to the same period last year. Compared to the second quarter this year (68.9), the net sales increased with 10.5%.
- EBITDA earnings amounted to SEK 19.2 (19.7) million, a decrease of -2,5% compared to the same period last year. Compared to the second quarter this year (15.4) the EBITDA earnings increased with 25.0%.
- EBITDA margin amounted to 25.3% (25.1%).
- Profit after tax amounted to SEK 0.1 (1.9) million.
- Earnings per share amounted to SEK 0.01 (0.19).
- Total cash flow amounted to SEK -0.3 (-11.4) million.

## January – September

- Net sales amounted to SEK 208.0 (209.4) million, a decrease of -0.7% compared to the same period last year.
- EBITDA earnings amounted to SEK 43.9 (44.7) million, a decrease of -1.7% compared to the same period last year.
- EBITDA margin amounted to 21.1% (21.3%).
- Profit after tax amounted to SEK -9.6 (0.6) million.
- Earnings per share amounted to SEK -0.93 (0.06).
- Total cash flow amounted to SEK -7.8 (20.8) million.

## CEO's comments

***During the third quarter of the year, SDS's business continues to operate at a high pace and at a satisfactory level. We have closed several new deals with the highlight being the deal with the Sudatel Group for three markets at the same time.***

The agreement with the Sudatel Group means that SDS becomes a strategic partner to the Group in its ambition to drive growth through digitized sales and distribution. With this agreement the Sudatel Group has acquired the SDS's innovative RVM suite consisting of the distribution management of digital and physical products including order fulfilment and last mile delivery, Incentive and commission management, Digital Customer Onboarding through Omni-channel, as well as Business Intelligence modules including advanced AI-driven analysis that make it possible to maximize value creation through a well-managed sales channel.

In addition to the Sudatel Group, in the middle of the quarter SDS won another breakthrough order worth SEK 10 million from a new partner, Strategy& (part of the PwC network) for the 5G expansion with a telecom operator group in Saudi Arabia. The deal includes the Smart Capex product from SDS subsidiary Riaktr, which enables operators to optimize their capex allocation based on return on investment (ROI) calculations that leverage multiple internal and external data sources enhanced by advanced analytics and AI. We have seen that this product has great potential and enables exciting new opportunities and discussions with business leaders at our customers. At the same time, we can state that the product is also attractive outside our traditional markets in the Middle East and Africa, something that could open up new opportunities for SDS.

We have seen weaker results in the first and second quarters. Although we are not completely satisfied with the return we have received from our strong pipeline, in the third quarter we see how we are starting to get back to the levels we are aiming for. Although our growth journey will continue to be volatile and sales and results will vary from quarter to quarter, we look forward with confidence to being able to continuously improve cash flow and margin through the increased focus we have placed in these areas.

As a result, our EBITDA rose to SEK 19.2 million for the period, an increase of 25% compared to the second quarter of this year. The revenue landed at SEK 76.1 million, which means an increase of 10% compared to the second quarter of this year.

During the nine months of the year, we have seen how the completion of the first implementations of our expanded product offering took longer than expected that affected the results, but we have also identified several areas of improvement where we are now laying the foundation for a platform that can give us organic growth with better margins and cash flows than before.

*Martin Schedin*  
Acting CEO, Seamless Distribution Systems AB

**For more information contact:**

Martin Schedin  
Chief Financial Officer  
+46 70 438 14 42  
martin.schedin@seamless.se

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**About Seamless Distribution Systems AB (SDS)**

*SDS is a Swedish international software company that specializes in mobile payment services for mobile operators, distributors, retailers, and consumers. SDS ensures that Telecom operators can sell their telephone subscriptions, where SDS products and services handle up to 90% of the Telecom operators' sales. Today, SDS have implemented solutions in fintech, advanced analysis and retail value management, and where these solutions have succeeded, they are transformed into so-called SaaS solutions.*

*Following the acquisition of Riaktr, SDS has approximately 320 employees in Sweden, France, Belgium, Romania, South Africa, Ghana, Nigeria, Ivory Coast, United Arab Emirates, Pakistan, India, and Indonesia.*

*Following the acquisition of Riaktr, SDS will annually handle more than 15 billion transactions worth over USD 14 billion. Via over 3 million monthly active resellers of digital products, more than 700 million consumers are served globally.*

*SDS shares are listed on Nasdaq First North Premier.  
The company's Certified Adviser is FNCA Sweden AB, phone number 08-528 00 399, email: info@fnca.se*