

Press Release

February 15, 2024

Year-end report for the period 1 January – 31 December 2023

October - December

- Net sales amounted to SEK 58.4 (37.4) million, an increase of 56.1% compared to the same period last year.
- EBITDA earnings amounted to SEK 16.1 (-34.1) million, an increase of 147.0% compared to the same period last year.
- EBITDA margin amounted to 27.5% (-91.2%).
- Profit after tax amounted to SEK -3.0 (-65.9) million.
- Earnings per share amounted to SEK -0.20 (-6.30).
- Total cash flow amounted to SEK -9.5 (-2.8) million.

January - December

- Net sales amounted to SEK 264.7 (245.4) million, an increase of 7.9% compared to the same period last year.
- EBITDA earnings amounted to SEK 62.0 (9.8) million, an increase of 532.5% compared to the same period last year.
- EBITDA margin amounted to 23.4% (4.0%).
- Profit after tax amounted to SEK -16.0 (-75.4) million.
- Earnings per share amounted to SEK -1.25 (-7.30).
- Total cash flow amounted to SEK -4.1 (-10.6) million.

CEO's comment

First and foremost, I want to express my gratitude to our customers, to our shareholders and, most importantly, our employees for their ongoing support in what has been a tough turn-around year where we relentlessly focus on building back our business model for profitable and cash generating growth.

Whilst we have made great progress, this is no easy task. For the fourth quarter revenue amounted to 58.4 (37.4) million SEK, with EBITDA at 16.1 (-34.1) million SEK. This means that we conclude the year 2023 with a turnover of 264.7 (245.4) MSEK and EBITDA of 62.0 (9.8) MSEK. Whilst it is clear that our increased focus on securing accurate costing and pricing in new deals has slowed down our order intake during the year, which can be seen in our numbers, we continue to improve efficiency and accuracy in our deliveries.

As we work through the final stages of our transformation it is indeed pleasing to see how our core business (excluding SDD) grew from 161 MSEK to 208 MSEK during 2023, with clear EBITDA% improvements underpinned by growing recurring revenues and greater cost efficiency. The recent purchase order, worth 8,8 MSEK from a customer in Oman, is another testimony of our transformation towards lower project risk and higher and more predictable margins and cash flows. I also have high expectations that we will increase the pace of converting sales opportunities into orders during 2024, which together with our recently announced partnership with Emida Technologies will open up opportunities for further growth of both project based and recurring revenues – growth that should allow us to further improve our EBITDA margin and take us back to Net profitability.

Emida technologies operates in the same industry segment as us but with a more limited portfolio and geographical footprint. Currently Emida is very strong in Latin America where we today have no significant presence, where they see opportunities to leverage the strength of our product portfolio to drive increased sales with their existing customer base as well as break into new customers. When I joined SDS over half a year ago, I promised that SDS would enter South America, and this collaboration will take us there.

Finally, I want to thank our shareholders for supporting us with additional capital during 2023. We intend to repay the confidence in us by delivering a 2024 with sufficient cash and margin generation to put us in a good position towards re-financing the bond in 2025, in such a way that the company's profits will benefit the shareholders. Hopefully we will also get some support from falling interest rates during the year.

In summary, we are aware of the challenges ahead, but we are determined to continue our efforts to strengthen our company and achieve our long-term goals of profitable and cash generating growth.

Eddy Cojulun
CEO, Seamless Distribution Systems AB

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ABOUT 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 operator's 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.

SDS has approximately 275 employees in Sweden, France, Belgium, Romania, South Africa, Ghana, Nigeria, Ivory Coast, United Arab Emirates, Pakistan, India, and Indonesia. SDS annually handles more than 15 billion transactions worth over USD 14 billion. Via over 3 million monthly active resellers of digital products, more than 1100 million consumers are served globally.

SDS share is listed on Nordic SME at the Nordic Growth Market.