

Press Release

4 September, 2024

SDS Reaches Agreement with Major Bondholders and Shareholders on Bond Extension

Seamless Distribution Systems AB (SDS) Reaches Agreement with Major Bondholders and Shareholders on Bond Extension to the end of December 2027 and a New Share Issue of SEK 25 million at SEK 7 Per Share, thereby securing the financing of the company's further transformation towards profitable and cash generating growth

Reference is made to Seamless Distribution AB's (publ) ("SDS" and together with its subsidiaries, "the Group") press release dated June 24, 2024, regarding the initiation of negotiations with major bondholders.

SDS has now reached an agreement with bondholders who collectively hold 69.4% of the outstanding nominal amount of SEK 200 million to initiate a so-called written procedure, where a notice will soon be sent by Nordic Trustee and Agency AB (publ) ("the Agent"), and have also committed to voting in favor of the proposed amendments, which include:

1. Extension of the bond with a new maturity date set for December 31, 2027.
2. 9% annual cash interest paid quarterly.
3. SDS's option to capitalize parts of four interest payments. In such cases, the cash interest rate will be 5%, and the interest on the capitalized portion will be raised to 6%.
4. Amortization option with a minimum of 10% of the total debt at the time of extension per amortization occasion.
5. Amortizations and final payments will be adjusted according to 102% before March 31, 2025, 104% before March 31, 2026, and 106% thereafter.
6. Capitalization of due interest payments and an acceptance fee of 1%, resulting in an estimated total debt of SEK 228 million.

7. SDS's option to sign agreements for an additional SEK 10 million in credit line, where Robus, NCI, and Northpoint Capital have a pro-rata "Right of First Refusal" to offer according to available market terms.
8. New covenant with a monthly liquidity test requiring a minimum of SEK 10 million of available liquidity.

Finally, the company has also received subscription commitments for SEK 25 million in a directed share issue at SEK 7 per share, where every tenth subscribed share entitles the holder to a free stock option with an exercise price of SEK 9 at the end of 2025. The company will soon call an extraordinary general meeting to approve the proposal.

In connection with discussions with the largest bondholders, SDS provided information regarding certain forecasts for 2024. For the current year, SDS has projected a net revenue of SEK 226 million and an EBITDA of SEK 73 million (SEK 48 million after deductions for capitalized development expenses - CAPEX) for the Group, excluding Seamless Digital Distribution AB. SDS's net debt at the end of 2024 is expected to amount to SEK 209 million. For 2025, the company anticipates mid-single-digit growth in both revenue and EBITDA, a stable level of capitalized development expenses (CAPEX), and a reduction in the company's net debt to approximately SEK 190 million.

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This information is the information that Seamless Distribution Systems AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the above contact person on September 4, 2024, at 08:00 CEST.

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 267 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
