

Interim report for the period 1 January – 30 September 2023

July - September

- Net sales amounted to SEK 64.2 (76.1) million, a decrease of -15.6% compared to the same period last year.
- EBITDA earnings amounted to SEK 12.7 (19.2) million, a decrease of -33.9% compared to the same period last year.
- EBITDA margin amounted to 19.8% (25.3%).
- Profit after tax amounted to SEK -8.3 (0.1) million.
- Earnings per share amounted to SEK -0.65 (0.01).
- Total cash flow amounted to SEK -1.8 (-0.3) million.

January - September

- Net sales amounted to SEK 206.3 (208.0) million, a decrease of -0.8% compared to the same period last year.
- EBITDA earnings amounted to SEK 45.9 (43.9) million, an increase of 4.6% compared to the same period last year.
- EBITDA margin amounted to 22.3% (21.1%).
- Profit after tax amounted to SEK -13.0 (-9.6) million.
- Earnings per share amounted to SEK -1.08 (-0.93).
- Total cash flow amounted to SEK 5.4 (-7.8) million.

CEO's comment

I want to begin this letter by expressing my gratitude to our employees who continue to deliver assiduously and to our shareholders who continue to support us in a trying time. Thanks!

Financially, the turnover for the quarter was SEK 64.2 (76.1) million with an EBITDA of SEK 12.7 (19.2) million. The first nine months of the year resulted in a turnover of SEK 206.3 (208.0) million and EBITDA of SEK 45.9 (43.9) million. This is something we are not satisfied with, and we are aiming much higher.

Events during the quarter, we continue to invest in ensuring the quality of our new product range and precision in our deliveries. These investments and efforts had a marginal effect on the order intake during the third quarter. However, we are fully convinced that order intake will pick up again in the coming quarter.

During the year, we have undergone a transformation journey from the challenging business situation we experienced in 2022. We have worked with purpose and with a focus to learn from past mistakes and improve our operations at all levels. We are actively working to complete our product portfolio and improve our sales process to better cater to our customers' needs. This will significantly increase our competitiveness in the market. We are in phase with our cost forecasts, and we are actively working to ensure long-term financial stability.

We have a close and extended collaboration with our large customers. We are confident that these expanded collaborations will generate positive results in 2024. Strengthened and expanded customer relationships are an important part of our transition journey as well as to increase our market shares and minimize risks.

A concrete example of this, that we are both satisfied and proud of, is the large order we received from an existing customer in Oman. This was communicated earlier in the quarter. Through close and continuous engagement with our customer, we have succeeded in significantly reducing the risk regarding customer-specific development. In addition to reduced risk, this business arrangement significantly strengthens cash flow.

Our recurring revenue is increasing, quarter by quarter, and we see this positive trend continuing into 2024. This is another clear sign that our hard work with strengthened customer relationships and satisfied customers is starting to pay off.

Finally, it is very gratifying that we managed to carry out a directed issue to several investors despite our tough business situation and challenging external factors. The entire board and large parts of the management team have participated in this issue. This demonstrates continued confidence in our company, our vision, and our potential.

In summary, we are very well aware of the challenges we face. We are determined to continue our hard work, strengthen our company, and achieve our long-term goals. Together we will overcome these challenges, return to growth, and develop towards our long-term and ambitious goals.

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 Nasdaq First North Premier.

The company's Certified Adviser is FNCA Sweden AB, info@fnca.se