

## **Interim report for the period 1 January – 30 June 2024**

### **April - June**

- Net sales amounted to SEK 60.2 (72.8) million, a decrease of 17.3% compared to the same period last year.\*
- EBITDA earnings amounted to SEK 19.7 (19.4) million, an increase of 1.5% compared to the same period last year.
- EBITDA margin amounted to 32.8% (26.7%).
- Profit after tax amounted to SEK -2.6 (0.1) million.
- Earnings per share amounted to SEK -0.17 (0.01).
- Total cash flow amounted to SEK 0.9 (-10.8) million.

### **January - June**

- Net sales amounted to SEK 115.8 (142.2) million, a decrease of 18.5% compared to the same period last year.\*
- EBITDA earnings amounted to SEK 41.8 (33.2) million, an increase of 25.9% compared to the same period last year.
- EBITDA margin amounted to 36.1% (23.4%).
- Profit after tax amounted to SEK -2.2 (-4.7) million.
- Earnings per share amounted to SEK -0.14 (-0.40).
- Total cash flow amounted to SEK -6.7 (-5.5) million.

\*The decline towards 2023 is explained by the company shifting focus away from SDD, and the impact on results from the decline is marginal.

### **CEO's comment**

It is satisfying to be able to report that Seamless Distribution Systems AB has delivered a clearly improved first half of 2024, showing growth and positive operating results in the core business SDS. This is the result of our cost savings and the shift in our business model towards a clearer focus on recurring revenues, as well as contracts with lower risk and better cash flow.

The first half of the year is in line with our forecast for 2024 if we include the order from the operator in Bangladesh, which was closed early in the third quarter. Our goal was to close more orders during the first half of the year, but these contracts have been delayed to the second half. The SDS order intake pipeline looks strong for the second half.

Revenue for the core business landed at SEK 111.3 (108.2) million and EBITDA at SEK 43.0 (33.8) million. Total revenue landed at SEK 115.9 (142.2) million and EBITDA at SEK 41.8 (33.2) million. The drop in revenue for the total group is solely due to our decision to phase out SDD over time.

We continue to increase our recurring revenues, which amounted to SEK 75.1 million in the first half, an increase of 6% compared to the same period in 2023. As we close more projects, recurring revenues will increase and contribute to continued positive results with their fine gross margin. I would especially like to highlight the order we won from an existing customer in Bangladesh, which was also the largest order in SDS group's history. This is proof that once we have a foothold with a customer, they will buy more as we can show that all our products increase the customer's revenue or reduce the customer's operating costs.

We continue to work day and night to reduce both our operating costs and our CAPEX. During the first half, we achieved this by a total of SEK 9 million in the core business. During the quarter, we announced that we have entered into a new standstill agreement with the bondholders and that we will start negotiations on a new agreement in the third quarter that will benefit the company, shareholders, and bondholders.

In the first half of the year, we have undertaken several important initiatives that will position us well for continued growth and profitability. We are active in several major procurements in Africa, the Middle East, and Asia while we have established ourselves in South America, where together with EMIDA Technologies, we have started Seamless Americas. We have shifted our focus from the distribution business to fully concentrate on the core business.

I am proud and pleased with our work in the first half of 2024 and look forward to delivering continued operational improvements that create value for our customers and shareholders. We expect to bring the company to positive cash flow shortly.

Thank you for your support and confidence in Seamless Distribution Systems AB.

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 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*