

Seamless Distribution Systems AB informs about a breach of financial covenant.

Seamless Distribution Systems AB ("SDS") announced today that one of the company's financial covenants has been breached. According to the terms of the company's agreement with bondholders, SDS is required to hold at least 10 MSEK in liquid assets as of December 31, 2024. As of this date, the company's liquid assets amounted to 2.9 MSEK, resulting in a violation of this requirement.

During 2024, SDS successfully surpassed its interim target in its three-year plan by 1.0 MUSD. The company had set a goal of 8.0 MUSD in new sales but managed to achieve 9.0 MUSD. SDS is highly satisfied with exceeding its set target by 12.5%. However, since a significant portion of orders came in late during the fourth quarter, SDS needs to strengthen its cash position at the beginning of the first quarter of 2025.

By utilizing the option for a lower interest payment in February, SDS is well-positioned to start building a stable cash reserve from March 2025 onwards. Additionally, the company is in discussions with bondholders to explore the possibility of utilizing the right to a short-term overdraft facility as per the bond agreement.

For more information contact:

Martin Schedin

Chief Financial Officer

+46 70 438 14 42

martin.schedin@seamless.se

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