

Press Release

May 15, 2023

Interim report for the period 1 January – 31 March 2023

January - March

- Net sales amounted to SEK 69.4 (63.1) million, an increase of 10.0% compared to the same period last year.
- EBITDA earnings amounted to SEK 13.8 (9.3) million, an increase of 48.4% compared to the same period last year.
- EBITDA margin amounted to 19.9% (14.8%).
- Profit after tax amounted to SEK -4.8 (-7.9) million.
- Earnings per share amounted to SEK -0.5 (-0.8).
- Total cash flow amounted to SEK 5.4 (4.4) million.

CEO's comment

I am happy to report that Seamless Distribution Systems AB has had a significantly improved first quarter of 2023, where we once again show growth and positive operating income.

We are following our forecast despite the negative impact of the strengthened krona during the first quarter. Revenue landed at SEK 69.4 (63.1) million and an EBITDA of SEK 13.8 (9.3) million.

During the quarter, we have implemented several important initiatives that will position us well for continued growth and profitability. I want to particularly highlight our strong growth in recurring revenue. During the quarter, we had revenue of SEK 35 million, an increase of 18% compared to the same quarter in 2022 and 17% compared to Q4 2022.

The cost-saving program, launched during the quarter, has reduced our costs by 3.6% compared to the same quarter last year, despite significant inflation in our core markets. The program is progressing according to plan and is expected to generate greater savings in the future. During the quarter, we also carried out a reorganization to improve our efficiency and strengthen our customer and product focus. In the new structure, Olivier Moisse has been appointed as product manager, Sandipan Mukerjee as technology and development manager, and Tommy Eriksson has returned to our management team with responsibility for implementation and customer support. We are already seeing positive effects from this reorganization. We now work more agilely, with clear responsibilities, where we have already seen clear effects.

During the quarter, in the same spirit, we have worked hard on our transformation to productize our offering. This is an ongoing effort that is expected to lead to a more efficient business flow, reduced risks, and improved cash flow.

The refinancing of the bond has also been an important part of strengthening our financial position. By restructuring our finances, we have increased our financial flexibility and ensured that we have the resources required to invest in growth. After the reporting period, the company received SEK 20 million for the directed share issue decided at the extraordinary general meeting in March.

We are also very pleased with the important additional order we received from one of our customers in Oman. This order is a recognition of our ability to deliver high-quality solutions to our customers and is an important step in our continued growth strategy with the increased focus on cash flow and risk management.

I am proud and pleased with our work during the first quarter of 2023 and look forward to delivering continued operational improvements that create value for our customers and shareholders. We hope to soon bring the company back to a positive net income.

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

Martin Schedin
Acting 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 285 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