

Interim report Q2

2022

INTERIM REPORT Q2

JANUARY - JUNE 2022

APRIL - JUNE 2022

- Net sales amounted to SEK 68.9 (69.2) million, a decrease of -0.4% compared to the same period last year.
- The EBITDA result amounted to SEK 15.4 (11.0) million, an increase of 39.3% compared to the same period last year.
- The EBITDA margin amounted to 22.3% (16.0%).
- Profit after tax amounted to -1.8 (-4.8) MSEK.
- Earnings per share amounted to SEK -0.17 (-0.51).
- Cash flow for the period amounted to -11.9 (31.3) MSEK.

JANUARY - JUNE 2022

- Net sales amounted to SEK 131.9 (130.7) million, an increase of 1.0% compared to the same period last year.
- The EBITDA result amounted to SEK 24.7 (25.0) million, a decrease of -1.1% compared to the same period last year.
- The EBITDA margin amounted to 18.7% (19.1%).
- Profit after tax amounted to -9.7 (-1.2) MSEK.
- Earnings per share amounted to SEK -0.95 (-0.13).
- Cash flow for the period amounted to -7.5 (32.2) MSEK.

KSEK	2022 APR-JUN	2021 APR-JUN	2022 JAN-JUN	2021 JAN-JUN	2021 JAN-DEC
Net sales	68,845	69,180	131,912	130,668	288,187
EBITDA result	15,382	11,041	24,705	24,967	64,312
EBITDA margin	22.3%	16.0%	18.7%	19.1%	22.3%
Operating profit	,3,881	1,146	1,234	6,719	27,373
Operating margin	5.6%	1.7%	0.9%	5.1%	9.5%
Profit for the period after tax	-1,770	-4,838	-9,695	-1,244	6,024
Cash flow for the period	-11,877	31,289	-7,512	32,231	4,782
Earnings per share, before and after dilution	-0.17	-0.51	-0.95	-0.13	0.62



MATERIAL EVENTS DURING THE QUARTER

🌐 APRIL

Seamless Distribution Systems AB ("SDS") announced on April 1, 2022 that the directed new issue of shares, which was announced through a press release on March 18, 2022, is fully subscribed. SEK 20 million was added to the company.

The issue was aimed at seven major existing owners, most of whom had previously been part of the consortium that supported the company since the IPO in 2017. The subscription price per share was SEK 37. See separate press releases from 18 March 2022 for more information regarding the Directed Issue.

🌐 APRIL

The annual general meeting of SDS has been held in Stockholm on Thursday, April 21, 2022.

🌐 APRIL

SDS received an order worth SEK 3.6 million from an existing customer in Djibouti. The deal concerned the commissioning of SDS's flagship product ERS 360°, which replaces the customer's existing solution and facilitates the digitization of the customer's sales and distribution channel.

🌐 MAY

Through its subsidiary Riaktr, SDS received an order worth SEK 1.1 million from a leading mobile operator in Senegal. The order consisted of an installation revenue of SEK 1.1 million and an annual recurring revenue of approximately SEK 1.1 million, which will be recognized as revenue on an ongoing basis as long as the customer uses the Smart S&D solution.

🌐 JUNE

SDS board chairman Leif Frykman informed the board and the election committee that he is resigning from the SDS board on his own initiative with immediate effect. The reason behind the decision is to prioritize other commitments that require greater efforts in the

future in terms of time. The board appointed board member Martin Roos as chairman until the time of the general meeting in 2023.

🌐 JUNE

In connection with Leif Frykman resigning as chairman of the board, CEO Mats Victorin and board member Johan Wilsby also announced that they are leaving their positions. The board appointed CFO Martin Schedin as acting CEO.

🌐 JUNE

Riaktr received an order worth SEK 1.4 million for upgrading its Smart S&D product from an existing customer in Zambia. In addition to the upgrade revenue, there is an annual license with recurring revenue worth SEK 1.1 million. The upgrade of SEK 1.4 million was taken as revenue during the second quarter and the annual, recurring revenue of approximately SEK 1.1 million is recognized as revenue on an ongoing basis as long as the customer uses the Smart S&D solution.

🌐 JUNE

Riaktr received another order worth SEK 3.7 million for additional advanced functions on its Smart S&D product from an existing customer in Nigeria. The order consisted of an advanced improvement of the product of SEK 3.7 million, which was recognized as revenue during the second quarter.

🌐 JUNE

SDS won an order for a Voucher Management System (VMS), worth SEK 8.0 million, from an existing customer in Dubai. The order consisted of installation revenue to the value of SEK 6.0 million, as well as two years of support to the value of approximately SEK 2.0 million. Delivery of this order commenced in the first quarter of 2022 and revenue was recognized in the second quarter of 2022.

QUARTERLY COMMENTS

Chairman's comments

During the second quarter of the year, both chairman Leif Frykman and CEO Mats Victorin left their positions. Management changes sometimes lead to a certain loss of pace in the business, but I believe that SDS has stood strong despite the uncertainty that such a thing can bring as we have a competent organization that works very close to the customer with over 95% of our resources outside of Sweden. Work on recruiting a new CEO is in full swing, but these are processes that can take time. Therefore, it is extremely gratifying that SDS's long-standing CFO, Martin Schedin, has accepted to temporarily shoulder the role of CEO. Martin knows the company inside and out and I, together with the entire board, work together with Martin and the company's management to accelerate our product and growth strategy with continued improved profitability and cash flow as a goal.

Martin Roos

Chairman of the board, Seamless Distribution Systems AB



CEO's comments

Interest in our services and our systems has continued to be strong during the second quarter of the year. The uncertain global situation has delayed certain investment decisions. However, we have not noted any interrupted deals or business activities. We are therefore convinced that it is only a question of postponement of business and we expect that the business situation will return to normal during the second half of the year.

Turnover during the quarter amounted to SEK 68.9 (69.2) million. Our EBITDA was SEK 15.4 (11.0) million. The result is below our ambition and a direct consequence of the troubled global situation, which has led to some delays for our customers.

At the same time, I would like to emphasize that business activity was high and that we secured a number of deals during the quarter, both with existing and new customers. The quarter ended strongly with an order worth SEK 8.0 million from an existing customer in Dubai, but we have also done larger business with customers in Nigeria, Zambia and Djibouti to name a few.

We continue to enter new markets and our expanded product portfolio has continued to attract great interest. The technology shift from Service Oriented Architecture (SOA) to Microservices has made us a more relevant partner for more operators. We are now entering the future with more products than before and thus increased opportunities to enter new markets and expand our relationship with existing customers. We are convinced that our new offer Retail Value Management (RVM), which effectively manages the mobile operators' entire value chain, will generate more business with both existing and new customers.

At the same time, work continues with the integration of Riaktr. The product portfolio that came from the acquisition of Riaktr is now a natural and strategically important part of RVM, but at the same time continues to create its own business opportunities. An example of this is the deal that Riaktr made with a new customer in Senegal in mid-May.



The deal is made with one of Senegal's leading operators and includes the Smart S&D product, which allows the mobile operator to manage its sales distribution channels efficiently using advanced analytics and AI through a very simple and user-friendly interface.

In closing, I would like to thank all employees who continued to deliver despite a challenging market and management changes. Naturally, that environment has been challenging for us, but thanks to a great customer focus and hard work, I still see a very strong SDS. With the market's best offer, I therefore look with great confidence to the future, both in the short and long term.

I wish you all a continued wonderful summer!



Martin Schedin

Interim CEO, Seamless Distribution Systems AB

FINANCIAL OVERVIEW

APRIL - JUNE 2022

NET SALES

Net sales during the second quarter amounted to 68,845 (69,180) KSEK, a decrease of -0.4% compared to the same period last year. Other operating income amounted to SEK 9,003 (2,884) thousand.

During the quarter, SDS received several important strategic orders and upgrades from already existing customers, which shows that the expanded product portfolio has a positive effect. SDD reduced its sales compared to the same period last year. On the other hand, the group's turnover was positively affected by the stronger krona against the dollar, as a large part of the Company's transactions take place in the currency.

The company's business model means that major projects affect revenues and results between quarters.

OPERATING EXPENSES

Operating expenses during the second quarter amounted to -73,967 (-70,918) KSEK, an increase of 4.3% compared to the same period last year.

Riaktr's operating costs in the comparison period of the previous year are only included from the acquisition date of May 7, 2021, which is a contributing factor to the cost increase between the quarters. In addition, the group's operating costs were also negatively affected by the weaker dollar against the krona.

OPERATING PROFIT

The EBITDA result for the second quarter amounted to SEK 15,382 (11,041) thousand.

The EBIT result for the quarter amounted to SEK 3,881 (1,146) thousand.

The financial net in the quarter amounted to SEK -5,370 (-4,071) thousand.

Profit before tax amounted to SEK -1,489 (-2,925) thousand.

Earnings per share amounted to SEK -0.17 (-0.51).

INVESTMENTS

During the second quarter, investments were made in product development to a value of SEK 10,747 (8,787) thousand. Depreciation on intangible assets amounted to SEK -9,819 (-8,662) thousand. Investments in tangible assets amounted to SEK 1,296 (327) thousand for the quarter. Depreciation on tangible assets amounted to SEK -802 (-543) thousand.

Leases (IFRS 16)

According to that standard, an asset (the right to use a leased asset) and a financial liability relating to the obligation to pay leasing fees must be reported.

A right of use of SEK 9,005 thousand has been booked in the group with depreciation of SEK -881 thousand, as well as an interest expense of SEK -112 thousand for the quarter, both of which have replaced the rental cost. As of the end of June, the financial debt amounts to SEK 9,211 thousand.

NUMBER OF EMPLOYEES

The number of employees in the group at the end of the period was 152 (149). The majority of employees are software developers. In addition to this, SDS has approximately 168 (161) consultants mainly in Pakistan and Ghana.

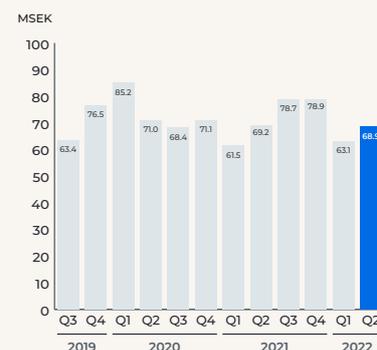
CASH FLOW AND FINANCIAL POSITION

Cash and cash equivalents at the end of the period amounted to SEK 10,259 (43,888) thousand.

Cash flow from operating activities during the second quarter amounted to SEK -12,485 (10,145) thousand. The period's cash flow amounted to SEK -11,877 (31,289) thousand.

Net sales

MSEK 68,9



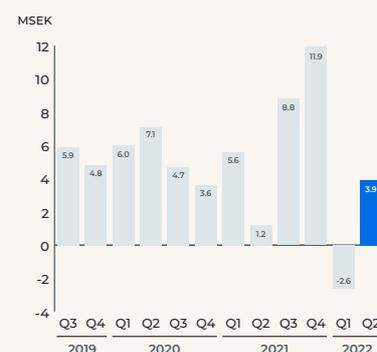
EBITDA result

MSEK 15,4



EBIT result

MSEK 3,9



FINANCIAL OVERVIEW

JANUARY - JUNE 2022

NET SALES

Net sales during the first half of the year amounted to SEK 131,912 (130,668) thousand, an increase of 1.0% compared to the same period last year. Other operating income amounted to SEK 14,320 (5,928) thousand.

During the year, SDS's order intake has continued to be weak. On the other hand, the Company sees an increased interest in the expanded product portfolio, which has been demonstrated by the fact that a number of important and strategic orders have been won during the year.

OPERATING EXPENSES

Operating costs during the first half of the year amounted to SEK -144,998 (-129,877) thousand, an increase of 11.6% compared to the same period last year.

Riaktr's operating costs are included in the group's total operating costs for the period January to June 2022, compared to the same period last year where they are included in the group from the acquisition date 7 May 2021. Operating costs have also been negatively affected by the weaker dollar against the krona, as well as increased travel costs of SEK 4.5 million accumulated during the year compared to the previous year as a result of eased restrictions against the pandemic.

OPERATING RESULTS

The EBITDA result for the first half of the year amounted to SEK 24,705 (24,967) thousand.

The EBIT result for the half year amounted to SEK 1,234 (6,719) thousand.

The financial net for the half year amounted to SEK -10,222 (-5,587) thousand.

In May 2021, the company took out a bond loan of SEK 200 million, with a variable interest rate of 3 months STIBOR plus 875 basis points. Associated bond costs of SEK -11,031 thousand are amortized back at the same rate as the term of the loan in three years and go over the accounts for interest costs.

Profit before tax amounted to SEK -8,988 (1,131) thousand.

Earnings per share amounted to SEK -0.95 (-0.13).

INVESTMENTS

During the first half of the year, investments were made in product development to a value of SEK 23,057 (15,575) thousand. Depreciation on intangible assets amounted to SEK -20,148 (-15,696) thousand. Investments in tangible assets amounted to SEK 2,043 (1,506) thousand for the half year. Depreciation on tangible assets amounted to SEK -1,567 (-1,201) thousand.

Leases (IFRS 16)

According to that standard, an asset (the right to use a leased asset) and a financial liability relating to the obligation to pay leasing fees must be reported.

A right of use of SEK 9,005 thousand has been booked in the group with depreciation of SEK -1,756 thousand, as well as an interest expense of SEK -233 thousand for the half year, both of which have replaced the rental cost. As of the end of June, the financial debt amounts to SEK 9,211 thousand.

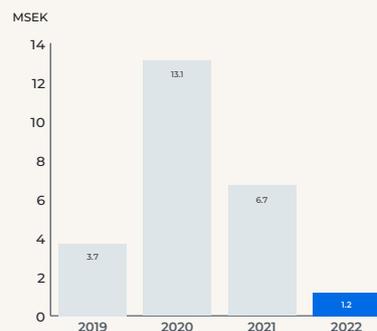
CASH FLOW AND FINANCIAL POSITION

Cash and cash equivalents at the end of the period amounted to SEK 10,259 (43,888) thousand.

The cash flow from current operations amounted to SEK 7,378 (17,002) thousand during the first half of the year. The period's cash flow amounted to SEK -7,512 (32,231) thousand.

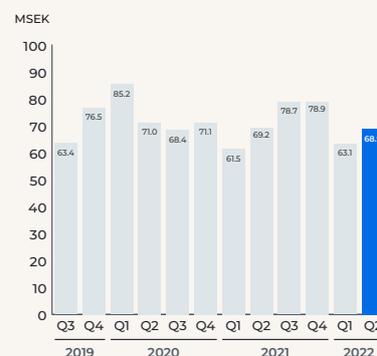
Net sales

MSEK 131,9



EBITDA result

MSEK 24,7



EBIT result

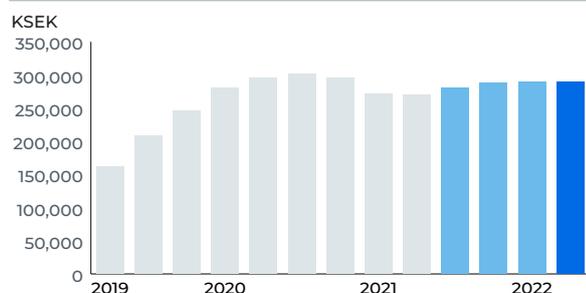
MSEK 1,2



ROLLING 12 MONTHS

ROLLING 12 MONTHS

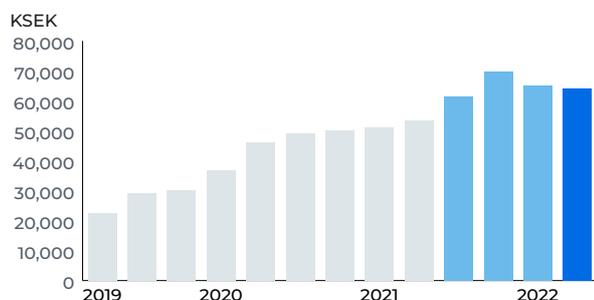
Net sales



Q2 2022

KSEK	QOQ Growth	R3Y CAGR
289,430	7.15%	21.26%

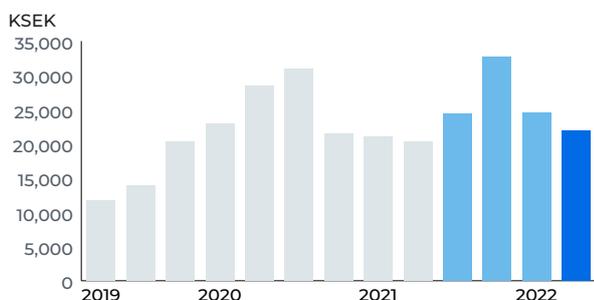
Adjusted EBITDA



Q2 2022

KSEK	QOQ Growth	R3Y CAGR
64,051	19.55%	41.97%

Adjusted EBIT

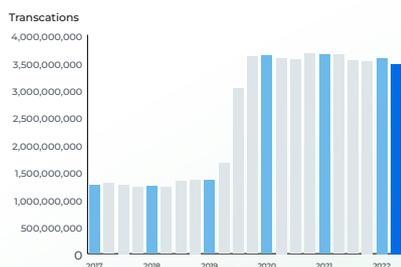


Q2 2022

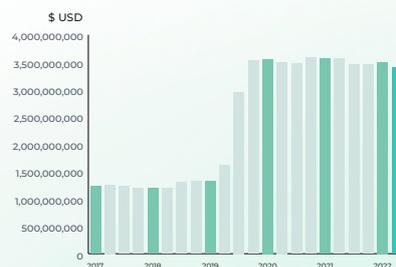
KSEK	QOQ Growth	R3Y CAGR
21,889	7.72%	23.12%

TRANSACTIONS

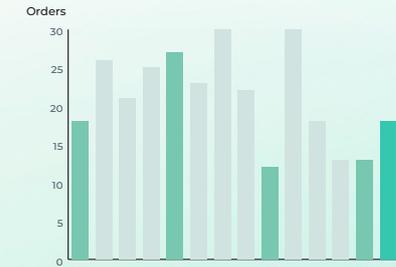
Number of transactions handled by ERS 360 per quarter



Monetary value managed by Seamless system per quarter



Number of orders won per quarter



THE SHARE

SHARE DEVELOPMENT



2019
SDS acquired eServGlobal for rapid geographical and customer expansion



2020
SDS carried out an oversubscribed share issue which added SEK 26.5 million to the company



2021
SDS acquired Riaktr for customer and technology expansion

VALUATION MULTIPLES

	P/S	P/B	EV/EBITDA	P/EBITDA
Q2 2022	1.08	2.22	9.20	4.90
Q1 2022	1.24	2.94	9.92	5.51
Q4 2021	1.73	3.88	10.80	7.17
Q3 2021	1.59	3.59	11.20	7.26
Average	1.41	3.15	10.28	6.21

MARKET PRESENCE



13 offices 72 customers



Africa

32 countries
39 customers
4 offices



Asia

14 countries
17 customers
5 offices



Europe

7 countries
12 customers
4 offices



North America

1 country
1 customer



Australia

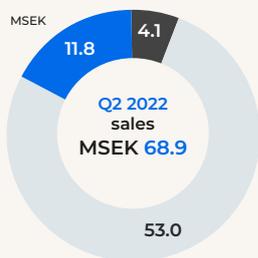
1 country
2 customers



South America

1 country
1 customer

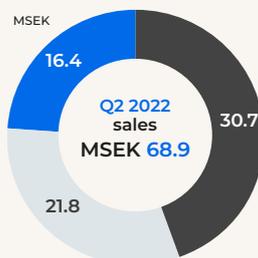
Product offering



MSEK

Analytics	11.8	17 %
RVM	53.0	77 %
MFS	4.0	6 %

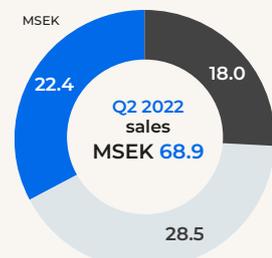
Revenue types



MSEK

New sales	16.4	24 %
Re-occurring revenue	21.7	32 %
Recurring revenue	30.7	45 %

Geographic sales



MSEK

Europe	22.4	33 %
Africa	28.5	41 %
Asia/Middle East	17.9	26 %

THE SEAMLESS ADVANTAGE

SDS works with the digitization of large-scale sales and supply chain networks. The company has developed software and processes for handling large amounts of transactions with financial, logistical or other information. With its experience, SDS has developed a system through which the Company collects and analyzes data generated

Over the years, SDS has become more than just a technology supplier and has a self-developed software platform, which is now in its fourth generation. We have spent 30+ years helping 50+ MNOs create and maintain a successful sales and distribution chain across multiple markets with a homogeneous product portfolio that grows with them:

in transaction systems and makes recommendations to customers to achieve operational efficiency. The software can be easily integrated with most solutions, such as payment solutions such as payment methods for products and services.

Cost optimization through our cohesive products

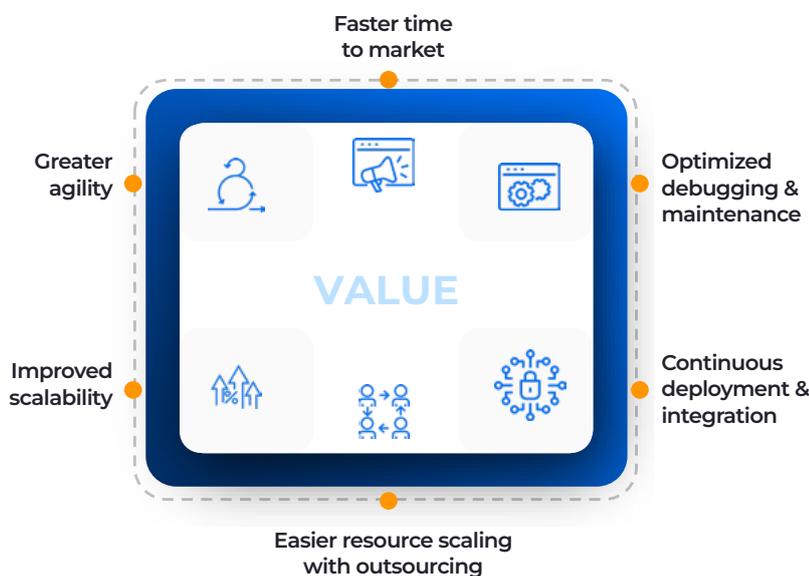
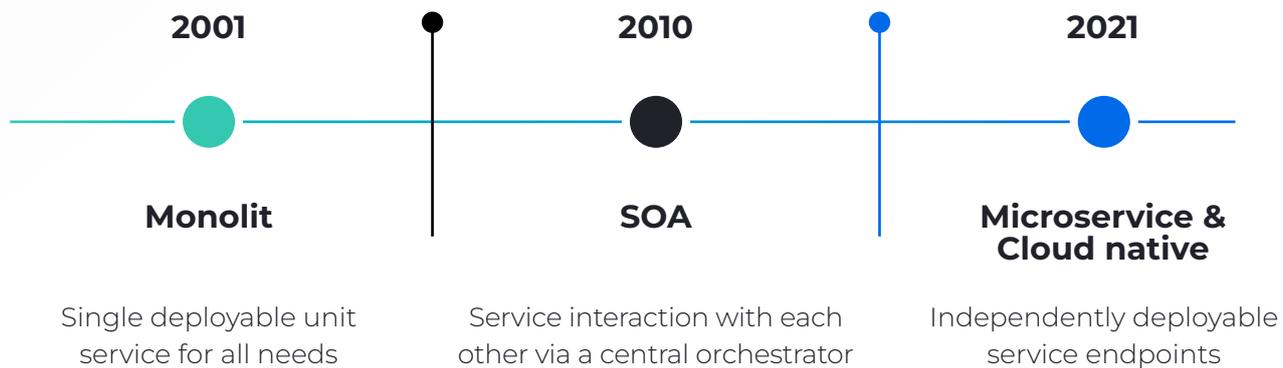
Unmatched business efficiency through our insight-driven portfolio

Sustainable competitive advantage with future-ready technology (SaaS & cloud native)

Our cloud native tech stack

With our technical leap, from a monolith platform to a microservice and cloud native, we have moved from a one product company to several new products. With our new product suite our market attractiveness has substantially increased. The new architecture enables plug & play across a portfolio that works seamlessly together.

We experience a greater stickiness with customers, meetings at customers' highest level of management, joining the discussion earlier in the process and expanding from a pure transaction system to next generation and exciting offer.



Key factors

Our Microservices-backed product portfolio:

Reduces hardware and capital expenses

Reduces fragmented operations and offers multi country adoption

Champions modularity with API-based seamless integrations & SDK's (Software Development Kit).

Promotes agility and quick turnaround with on-demand scaling with fault tolerance

Offers a future-proof and resilient architecture

OFFERING

SDS considers itself to have a unique position in the market, as the SDS platform is the backbone of a mobile operator's sales operations. Through its long experience, SDS has a deep understanding of how the retail infrastructure works for mobile operators. The product portfolio is focused on supporting and digitizing every step of the sales process with the goal of providing the opportunity to sell any product, at any time and through any channel. Channels in this context can be anything from a simple terminal to a company-wide cash terminal system.

The systems and solutions provided by SDS are business-critical platforms that handle a large number of transactions and large monetary flows. This puts a high demand on the platform being flexible and having high performance, as well as accessibility. As SDS customers operate in competitive markets, there is also an expectation of the amount of features and services that can be managed with the same technology platform. Furthermore, there are requirements for the platform to have an open architecture and thus offer the opportunity to easily integrate the platform with other systems. SDS technology and platforms meet these expectations and are supported by a team 24/7, who are well aware of the need for the technical and operational expectations, both for the business and for the Company's customers. SDS has the organizational structure required to develop, deliver, transfer knowledge and perform technical support as well as manage and maintain the operational operation of all delivered platforms.

In addition to the technical platform and operational capacity, important attributes such as sustainability, high availability and business continuity are necessary for SDS to easily provide its customers with optimal operational capability. The information that SDS provides its customers access to is necessary for the customer to understand their business results, as well as the dynamics of the business. With the information, the customer receives the material required for the customer's board and management to be able to make informed decisions for their business.

The Group's product portfolio, which is illustrated below, brings together our offering under what we call the RVM suite. It includes solutions for planning, onboarding, growth and optimization for mobile operators throughout the retail journey, from Capex investments to optimization of the sales force.



CONSOLIDATED REPORT ON TOTAL RESULTS

KSEK	2022 APR-JUN	2021 APR-JUN	2022 JAN-JUN	2021 JAN-JUN	2021 JAN-DEC
Operating revenue					
Net sales	68,845	69,180	131,912	130,668	288,187
Other operating revenue	9,003	2,884	14,320	5,928	15,252
Total operating revenue	77,848	72,064	146,232	136,596	303,439
Operating expenses					
Material expenses	-24,051	-25,766	-46,715	-51,311	-106,084
Other external expenses	-14,610	-15,839	-28,140	-26,302	-52,478
Personnel costs	-19,940	-15,750	-38,463	-29,410	-69,328
Depreciation and amortization	-11,501	-9,895	-23,471	-18,248	-36,939
Other operating expenses	-3,865	-3,668	-8,209	-4,606	-11,237
Total operating expenses	-73,967	-70,918¹⁾	-144,998	-129,877¹⁾	-276,066¹⁾
Operating profit/loss	3,881	1,146	1,234	6,719	27,373
Financial items					
Financial income	16	333	16	333	1
Financial expenses	-5,386	-4,404	-10,238	-5,921	-16,783
Net financial items	-5,370	-4,071	-10,222	-5,587	-16,782
Profit/Loss before tax	-1,489	-2,925	-8,988	1,131	10,591
Income tax	-281	-1,913	-707	-2,376	-4,567
Profit for the year attributable to the Parent Company's shareholders	-1,770	-4,838	-9,695	-1,244	6,024
Other comprehensive income					
<i>Items that may be reclassified to profit for the year:</i>					
Translation differences	1,242	-992	2,535	-112	-3,355
Total comprehensive income attributable to Parent Company's shareholders	-528	-5,830	-7,160	-1,356	2,669

1) The sum for operating expenses during the year includes acquisition costs of SEK 5,284 thousand.

CONSOLIDATED BALANCE SHEET

KSEK	2022-06-30	2021-06-30	2021-12-31
Assets			
Intangible assets	223,125	204,810	212,003
- of which IP rights	11,083	12,415	12,417
- of which Capitalized development costs	109,614	94,712	101,504
-of which Goodwill	102,428	97,683	98,082
Tangible fixed assets	15,094	14,166	15,898
Financial assets	1,221	815	1,168
Inventories of finished goods	1,741	1,825	1,692
Accounts receivable	54,208	37,176	58,575
Other receivables	35,625	20,069	29,567
Prepayments and accrued income	82,637	78,747	62,352
Cash and cash equivalents	10,259	43,888	16,698
Total assets	423,909	401,496	397,952
Equity and liabilities			
Equity	141,388	124,623	128,648
Other long-term liabilities	201,443	203,212	202,617
Overdraft	3,243	-	-
Trade payables	27,500	20,501	22,704
Current tax liabilities	555	648	1,141
Other current liabilities	13,319	9,137	18,541
Accrued liabilities and deferred income	36,461	43,374	24,302
Total equity and liabilities	423,909	401,496	397,952

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	2022 APR-JUN	2021 APR-JUN	2022 JAN-JUN	2021 JAN-JUN	2021 JAN-DEC
At beginning of period	122,016	86,183	128,648	81,709	81,709
Comprehensive income for the period	-528	-5,830	-7,160	-1,356	2,669
Offsetting share issue	-	44,270	-	44,270	44,270
Shareholder contribution	19,900	-	19,900	-	-
At end of period	141,388	124,623	141,388	124,623	128,648

CONSOLIDATED CASH FLOW STATEMENT

KSEK	2022 APR-JUN	2021 APR-JUN	2022 JAN-JUN	2021 JAN-JUN	2021 JAN-DEC
Cash flow from operating activities before change in working capital	12,195	5,459	16,302	16,977	42,068
Change in working capital	-24,680	4,686	-8,924	25	-25,518
Cash flow from operating activities	-12,485	10,145	7,378	17,002	16,550
Cash flow from investing activities	-15,496	-125,049	-30,682	-133,214	-160,253
Cash flow from financing activities	16,104	146,193	15,792	148,443	148,485
Cash flow for the period	-11,877	31,289	-7,512	32,231	4,782
Cash and cash equivalents at beginning of period	21,373	12,957	16,698	11,776	11,776
Exchange rate differences in cash and cash equivalents	763	-358	1,073	-119	140
Cash and cash equivalents at end of period	10,259	43,888	10,259	43,888	16,698

KEY RATIOS AND FIGURES

KSEK	2022 APR-JUN	2021 APR-JUN	2022 JAN-JUN	2021 JAN-JUN	2021 JAN-DEC
Return on equity	-1.3%	-4.7%	-7.2%	-1.2%	5.7%
Earnings per share SEK before and after dilution	-0.17	-0.51	-0.95	-0.13	0.62
Operating profit/loss, KSEK	3,881	1,146	1,234	6,719	27,373
Growth in net sales	-0.4%	-2.5%	1.0%	-16.3%	-2.5%
Operating margin (EBIT)	5.6%	1.7%	0.9%	5.1%	9.5%
Average number of shares before and after dilution	10,462,924 10,462,924	9,471,977 9,471,977	10,192,633 10,192,633	9,415,677 9,415,677	9,669,030 9,669,030
Number of shares outstanding at end of reporting period	10,462,924	9,922,383	10,462,924	9,922,383	9,922,383
Quick ratio	247%	244%	265%	244%	265%
Equity/assets ratio	33.4%	31.0%	32.3%	31.0%	32.3%
Equity, KSEK	141,388	124,623	141,388	124,623	128,648
Equity per share	13.51	13.16	13.87	13.24	13.31
Number of employees at end of period	152	149	152	149	148



PARENT COMPANY INCOME STATEMENT

KSEK	2022 APR-JUN	2021 APR-JUN	2022 JAN-JUN	2021 JAN-JUN	2021 JAN-DEC
Net sales	26,671	28,967	48,540	54,298	122,819
Other operating revenue	8,604	2,288	13,715	5,324	13,628
Operating expenses	-35,581	-32,803	-71,790	-58,226	-129,911
Operating profit/loss	-306	-1,547	-9,534	1,397	6,536
Net financial items	-5,260	-3,585	-10,346	-4,955	-15,028
Profit/Loss after financial items	-5,566	-5,132	-19,881	-3,558	-8,492
Income tax	-193	-229	-436	-326	-759
Net profit/loss for the period	-5,759	-5,361	-20,317	-3,884	-9,251

PARENT COMPANY BALANCE SHEET

KSEK	2022-06-30	2021-06-30	2021-12-31
Assets			
Fixed assets	199,721	192,950	195,493
Current assets	144,778	144,392	143,057
Total assets	344,499	337,342	338,550
Equity and liabilities			
Equity	98,903	104,688	99,320
Long-term liabilities	198,883	193,359	195,254
Current liabilities	46,713	39,296	43,977
Total equity and liabilities	344,499	337,342	338,550
Pledged assets	22,000	22,000	22,000
Contingent liabilities	none	none	none

SEGMENT INFORMATION

Seamless's operations consist of two business units –

Seamless Distribution Systems AB (SDS) and **Seamless Digital Distribution AB (SDD)**

Net sales

KSEK	2022	2021	2022	2021	2021
	APR-JUN	APR-JUN	JAN-JUN	JAN-JUN	JAN-DEC
SDS	47,728	45,625	90,636	83,792	195,279
SDD	21,749	24,107	42,506	47,971	95,128
Intra-Group support fee ¹	-632	-552	-1,230	-1,095	-2,220
Seamless Group	68,845	69,180	131,912	130,668	288,187

Operating profit

KSEK	2022	2021	2022	2021	2021
	APR-JUN	APR-JUN	JAN-JUN	JAN-JUN	JAN-DEC
SDS	4,619	6,506	2,698	12,503	31,857
SDD	-106	476	-234	594	3,020
Intra-Group support fee ¹	-632	-552	-1,230	-1,095	-2,220
Seamless Group	3,881	6,430²	1,234	12,002²	32,657²

1) SDS invoices a monthly market support fee of \$ 21,750 to SDD

2) Operating profit is without acquisition costs of SEK 5,284 thousand

Seamless
Distribution Systems

 **Seamless**
Digital Distribution

ABOUT SEAMLESS DISTRIBUTION SYSTEMS (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 talk time, data and additional services where SDS products and services handle up to 90% of the Telecom operator's sales. Today, SDS has implemented solutions in fintech, advanced analytics and Retail Value Management and where these solutions have been successful, they are converted into so-called SaaS solutions.

SDS has approximately 320 employees in Sweden, France, Belgium, Romania, South Africa, Ghana, Nigeria, the United Arab Emirates, Pakistan and India. SDS handles more than 15 billion transactions worth over \$14 billion annually. Through over 3 million monthly active retailers of digital products, more than 1,100 million consumers are served, indirectly, globally.

SDS shares are listed on Nasdaq First North Premier.

ABOUT SEAMLESS DIGITAL DISTRIBUTION (SDD)

SDD sells talk time in the Nordic region to retailers, such as larger chains and smaller independent kiosks. SDD delivers complete end-to-end solutions, which not only consist of the end product that is delivered digitally, but also the technology that entails a simple and fast sales process at the retailer.

SDD's main offering includes electronic products such as prepaid card recharges for mobile phones and payment solutions for online payments. The company's services are tailored and adapted to the customers' individual needs, which enables sales via various channels, such as via the customer's own cash register system, alternatively via a terminal or web solution provided by SDD. The core platform ERS360[®], which is used in SDS offers, is also used in SDD's offers. The platform annually handles approximately three and a half million transactions with an approximate value of SEK 450 million in the two markets in which SDD is active, Sweden and Denmark. SDD has one employee and serves roughly 2,000 points of sale.

NOTES

Seamless Distribution Systems AB (publ) is a Swedish public company, (corporate identity number 556979-4562) based in Stockholm, Sweden. The SDS shares are listed on Nasdaq Stockholm, First North Premier.

NOTE 1 - RISKS AND ACCOUNTING PRINCIPLES

RISKS AND UNCERTAINTIES

Seamless's operations are affected by a number of external factors where various risk factors can affect the company. These risk factors can have an impact on the company's ability to achieve business goals and financial goals. The risks SDS identified as material to the business are as follows: Market risks including political risks and the dependence on a few large customers. Operational risks include increased competition, changes in laws and regulations, the ability to retain and attract key employees, technological development, the ability to retain and attract customers, corruption and unethical business practices. Financial risks: includes financing, liquidity, credit, interest rate and currency risks.

For a detailed description of the risk factors that are deemed to be of material importance for the Group's future development, please refer to the annual report for 2021, pages 35-36. Management's assessment is that there are no material changes in the risk assessment made in the annual report for 2021.

ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as presented in the annual report for 2021. The Group's functional currency is Swedish kronor, which is also the reporting currency. This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The parent company's financial statements in summary have been prepared in accordance with the Annual Accounts Act, as well as RFR 2 Accounting for Legal Entities. The IASB has published amendments to standards effective from 1 January 2022 or later. These additions have not had any material impact on SDS's financial reports.

NOTE 2 - DISTRIBUTION OF NET SALES

KSEK	SDS	
	2022 JAN-JUN	2021 JAN-JUN
Retail Value Management (RVM)	63,132	75,181
Mobile Financial Services (MFS)	4,699	1,307
Analytics	21,575	6,209
SDS total	89,406	82,697

KSEK	SDD	
	2022 JAN-JUN	2021 JAN-JUN
Etop-up	41,460	46,537
Bank systems	868	1,031
Other	179	403
SDD total	42,506	47,971

NOTE 4 - TRANSACTIONS WITH RELATED PARTIES

The company has no existing transactions with related parties.

NOTE 3 - NET SALES BY GEOGRAPHIC AREA

KSEK	SDS	
	2022 JAN-JUN	2021 JAN-JUN
Africa	57,715	56,287
Middle East and Asia	29,647	23,273
Other	2,044	3,137
SDS total	89,406	82,697

KSEK	SDD	
	2022 JAN-JUN	2021 JAN-JUN
Sweden	37,670	43,689
Denmark	4,778	4,088
Other	39	194
SDD total	42,506	47,971

NOTE 5 - MATERIAL EVENTS AFTER THE REPORTING PERIOD

No significant events have been reported after the reporting period.

OTHER INFORMATION

AUDIT

This report has not been reviewed by the company's auditors.

ADVISERS

The company's Certified Adviser is FNCA Sweden AB.

Telephone: 08-528 00 399

E-mail: info@fnca.se

DISTRIBUTION OF INFORMATION

All information is published on the company website, www.sds.seamless.se, immediately after it has been made public.

Financial reports can also be ordered from SDS AB, Hangövägen 29, 115 41 Stockholm, or by e-mail to sds.info@seamless.se.

FINANCIAL CALENDAR

Interim report Q3 2022	2022-10-20
Year-end report Q4 2022	2023-02-16

Seamless Distribution Systems' interim report for January to March has been approved for publication in accordance with the Board's decision on July 20, 2022. The Board of Directors and the CEO of Seamless Distribution Systems AB (publ) assure that the interim report provides a fair overview of the parent company's and the Group's operations, position and results, material risks and uncertainties faced by the company and the companies included in the Group.

Stockholm, 20 July 2022

Morten Karlsen Sörby

Martin Roos
Chairman of the board

Pia Hofstedt

Martin Schedin
Interim CEO

For further information, please contact:



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FINANCIAL DEFINITIONS AND ALTERNATIVE KEY RATIOS

Analytics	Collective name for Smart Capex and Smart Sales & Distribution.
Adjusted EBITDA margin, adjusted for acquisition costs	Operating profit before amortization of tangible and intangible assets and financial items as a percentage of income where acquisition costs for the period have been deducted.
Adjusted EBITDA result, adjusted for acquisition costs	Operating profit before amortization of tangible and intangible assets and financial items where acquisition costs for the period have been deducted.
Adjusted profit after tax, adjusted acquisition costs	Profit after financial items and tax where acquisition costs for the period have been deducted.
Average number of shares	Weighted average number of shares outstanding during the period.
Cash liquidity	Cash and cash equivalents including short-term investments and short-term receivables in relation to short-term liabilities.
Earnings per share	Profit after tax in relation to the average number of shares.
EBITDA	Operating profit/loss before depreciation and amortization of tangible and intangible assets and financial items.
EBITDA %	Operating profit/loss before depreciation and amortization of tangible and intangible assets and financial items as a percentage of revenue.
Equity per share	Equity in relation to the total number of outstanding shares.
EV/EBITDA	Enterprise Value / Profit before interest expenses, taxes, write-downs and depreciation. EV = Market capitalization + net debt. EBITDA = Profit before interest expenses, taxes, impairment losses and depreciation. Market value = Share price * Number of Shares.
MFS	Abbreviation for Mobile Financial Services. Refers to Microcredit and "Mobile wallet".
Microcredit	Mikrokredit is a value-added service that quickly and easily gives retailers and consumers access to talk time by the retailer borrowing talk time from SDS while waiting for the retailer's inventory balance to be replenished by the telecom operator.
Net sales growth	Sales for the period in relation to sales for the previous period.
Operating margin (EBIT)%	Profit before financial items and tax as a percentage of revenue.
Operating margin (EBIT)%, adjusted for acquisition costs	Profit before financial items and tax as a percentage of income where acquisition costs for the period have been deducted.
Operating profit (EBIT)	Profit before financial items and tax.
Operating profit (EBIT), adjusted for acquisition costs	Profit before financial items and tax where acquisition costs for the period have been deducted.
P/B	Share price / Equity per share
P/EBITDA	Share price / EBITDA = Profit before interest expenses, taxes, write-downs and depreciation.
P/S	Share price / Turnover Per Share
Profit after tax	Profit after financial items and tax.
Return on equity	Profit after tax in relation to average equity.
RVM	Retail Value Management is a suite of solutions all the way from planning and onboarding to solutions to ensure distribution, revenue streams, continuous growth and optimization.
Solidity	Equity including minority in relation to total assets.
Withholding tax	Local withholding tax on the sales of royalties, licenses and consulting services is charged in many of the countries where SDS has customers. Withholding tax varies between 10–20% depending on the country and is deducted from the invoiced amount before the customer pays the supplier. SDS reports net sales including withholding tax and books the withholding tax that can be deducted according to the double taxation agreements as a receivable from the tax authority. The withholding tax that cannot be deducted is booked as a tax expense in the income statement.