

**Press Release**

**February 8, 2023**

## **Seamless announces lower results for Q4, postpones the year-end report for 2022 and updates on stakeholder dialogues and measures regarding strategy, restructuring and liquidity improvement**

Update on Q4 results 2022

During the fourth quarter of 2022, the group's organic growth was negative, mainly due to delays in projects that, according to previous forecasts would have been completed in the fourth quarter, and that two projects that were recognized as revenue earlier in 2022 were terminated by the customer.

The events have a negative impact on EBITDA, which is expected to be approximately SEK -34 (20) million for the fourth quarter, which means approximately SEK 10 (64) million for the full year. The period's operating profit is expected to be - SEK 56 (12) million, which means approximately SEK - 48 (27) million for the full year. The turnover is expected to be SEK 37 (79) million, which means a total of approximately SEK 245 (288) million for the full year.

All figures are preliminary and unaudited. The final year-end report for 2022 will be published on February 28, 2023, which means a postponement from February 16, 2023, as management are negotiating with bondholders, shareholders and preparing the quarterly report in parallel.

Discussions with major stakeholders

Due to deteriorating EBITDA for the fourth quarter of 2022, Seamless Distribution AB (publ) ("SDS") is likely to breach its covenant in the terms of its issued bonds. Due to this, SDS has engaged Pareto Securities and Gernandt & Danielsson and is conducting a dialogue with the largest bondholders, with the aim of handling the situation in an appropriate way through changes to terms.

SDS also conducts a dialogue with major shareholders with the aim of strengthening the company's liquidity and equity. It is the boards assessment that the above negotiations with bondholders are instrumental to successfully securing a rapid capital injection from shareholders.

## Planned actions in 2023

In order to drive efficiency, margin and cash flow improvements going forward, SDS has decided to launch a cost reduction program. The decision comes after a strategic review that also includes a clearer repositioning from customer-specific development to product focus. The program aims to generate annual savings of over SEK 45 million, with a noticeable effect in the second quarter of 2023 and with full effect in the first quarter of 2024. The program involves a potential layoff of 20-25% of staff.

As a result of these measures, the company's new sales will have a higher degree of standardized software, which will lead to higher margins and shorter lead times from order to checkout, i.e. a significantly better use of the company's financial and organizational resources. The restructuring measures are designed to be able to generate satisfactory profitability and cash flow even with relatively limited new sales.

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This information is the information that Seamless Distribution Systems AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the above contact person on February 8, 2023, at 19:30 CET.

### **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.

Following the acquisition of Riaktr, SDS has approximately 300 employees in Sweden, France, Belgium, Romania, South Africa, Ghana, Nigeria, Ivory Coast, United

# Seamless

Distribution Systems

Arab Emirates, Pakistan, India and Indonesia.

Following the acquisition of Riaktr, SDS will annually handle more than 15 billion transactions worth over USD 14 billion. Via over 3 million monthly active resellers of digital products, more than 700 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](mailto:info@fnca.se).