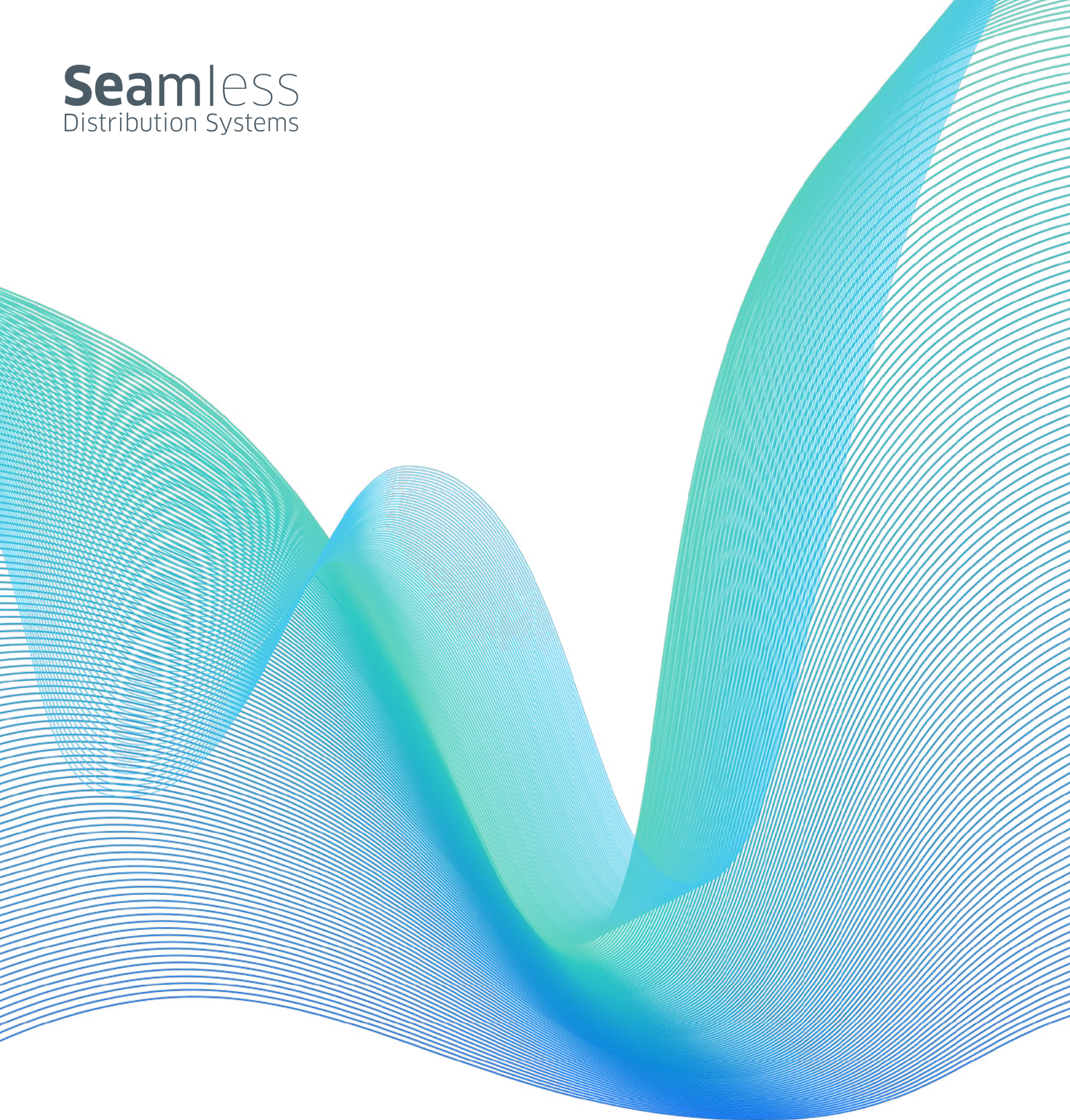


Seamless
Distribution Systems



Interim report Q3

2023

INTERIM REPORT Q3

JANUARY - SEPTEMBER 2023

JULY - SEPTEMBER 2023

- Net sales amounted to 64.2 (76.1) MSEK, a decrease of -15.6% compared to the same period the previous year.
- EBITDA earnings amounted to 12.7 (19.2) MSEK, a decrease of -33.9% compared to the same period the previous year.
- The EBITDA margin was 19.8% (25.3%).
- Profit after tax amounted to -8.3 (0.1) MSEK.
- Earnings per share amounted to -0.65 (0.01) SEK.
- Cash flow for the period amounted to -1.8 (-0.3) MSEK.

JANUARY - SEPTEMBER 2023

- Net sales amounted to 206.3 (208.0) MSEK, a decrease of -0.8% compared to the same period the previous year.
- EBITDA earnings amounted to 45.9 (43.9) MSEK, an increase of 4.6% compared to the same period the previous year.
- The EBITDA margin was 22.3% (21.1%).
- Net profit amounted to -13.0 (-9.6) MSEK.
- Earnings per share amounted to -1.08 (-0.93) MSEK.
- Cash flow for the period amounted to SEK 5.4 (-7.8) MSEK.

MATERIAL EVENTS DURING THE QUARTER

🌐 JULY

Seamless Distribution Systems AB ("SDS") exercised its option to postpone an interest payment of 6.5 MSEK on the bond loan that was due for payment on August 7, 2023. As part of the renegotiation of its bond loan, SDS had the opportunity to defer three interest payments during 2023. A 2% interest rate surcharge applies during the period for the portion that is deferred. The deferral of the interest payment is made in accordance with the renegotiated bond terms dated April 11, 2023.

🌐 SEPTEMBER

During the quarter, SDS received an order with a total value of 7.7 MSEK from one of the leading mobile operators in Oman. The order involves SDS developing software and services that enhance the products the operator offers to its end customers.

🌐 SEPTEMBER

In a press release, SDS announced a significant milestone in its expansion efforts by receiving a strategic order worth 1.5 MSEK for its new product, "SCC - Smart Campaign and Commissions," in the Benin market. The order value includes an installation phase and an annual license for the product.

🌐 SEPTEMBER

On September 28, 2023, SDS announced that the directed new share issue, which was approved at the extraordinary general meeting on September 26, has been fully subscribed. The company raised 20 MSEK, and the subscription price per share amounted to SEK 7.55.

KSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
Net sales	64,168	76,064	206,320	207,977	245,412
EBITDA resulta	12,711	19,229	45,937	43,934	9,801
EBITDA margin	19.8%	25.3%	22.3%	21.1%	4.0%
Operating profit	717	6,935	10,841	8,168	-48,586
Operating margin	1.1%	9.1%	5.3%	3.9%	-19.8%
Profit for the period after tax	-8,305	145	-12,994	-9,551	-75,415
Cash flow for the period	-1,836	-298	5,370	-7,810	-10,619
Earnings per share, before and after dilution	-0.65	0.01	-1.08	-0.93	-7.30

CEO'S COMMENTS

I would like to start this letter by expressing my gratitude to our dedicated employees who continue to deliver, as well as our shareholders who continue to support us in challenging times. Thank you!

Financially, the quarter ended with net sales of 64.2 (76.1) MSEK and EBITDA of 12.7 (19.2) MSEK. The first nine months of the year resulted in net sales of 206.3 (208.0) MSEK and EBITDA of 45.9 (43.9) MSEK. This is something we are not satisfied with, and we are aiming for much higher.

Events during the quarter: We continue to invest in ensuring the quality of our new product range and precision in our deliveries. These investments and efforts had a slight impact on order intake during the third quarter. However, we are fully confident that the order intake will regain momentum in the upcoming quarter.

Throughout the year, we have been on a transformational journey from the challenging business environment we experienced in 2022. We have worked diligently and with a focus on learning from past mistakes to improve our operations at all levels. We are actively working on finalizing our product portfolio and the sales process around it to better meet our customers' needs. This will significantly enhance our competitiveness in the market. We are on track with our cost forecasts and actively working to ensure long-term financial stability.

We have a tight and deepened collaboration with our major customers. We are convinced that these deepened partnerships will yield positive results in 2024. Strengthened and broadened customer relationships are a crucial part of our transformation journey, as well as for increasing our market share and minimizing risks.

A concrete example of this, which we are both pleased and proud of, is the larger order we received from an existing customer in Oman. This has been communicated earlier in the quarter. Through a tight and close collaboration with our customer, we have managed to significantly reduce the risk related to customer-specific development. In addition to risk reduction, this business arrangement significantly enhances cash flow.



Our recurring revenues are increasing, quarter by quarter, and we anticipate that this positive trend will continue throughout 2024. This is another clear indication that our diligent efforts in building stronger customer relationships and satisfying our customers are beginning to yield results.

Finally, it is very gratifying that we have succeeded in completing a directed share issue to a group of investors despite our challenging business environment and external factors. The entire board and a significant portion of the management team have participated in this issuance. This demonstrates ongoing strong confidence in our company, our vision, and our potential.

In summary, we are well aware of the challenges we face. We are determined to persist in our hard work, strengthen our company, and achieve our long-term goals. Together, we will navigate through these challenges, return to growth, and progress toward our long-term and ambitious objectives.

A handwritten signature in black ink, appearing to be 'E. Cojulun', written in a cursive style.

Eddy Cojulun
CEO, Seamless Distribution Systems AB

FINANCIAL OVERVIEW

JULY - SEPTEMBER 2023

NET SALES

The net sales for the third quarter amounted to 64,168 (76,064) KSEK, a decrease of -15.6% compared to the same period the previous year. Other operating income amounted to 9,272 (14,491) KSEK.

The decrease is primarily due to SDD's revenue not reaching the same level as in the same quarter the previous year. The sales decline in SDD amounted to approximately -7.5 MSEK between the compared periods. During the quarter, the Company strengthened its support revenues, contributing to a positive effect.

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

OPERATING EXPENSES

The operating expenses for the third quarter amounted to -72,723 (-83,620) KSEK, a decrease of -13.0% compared to the same period last year.

The reduced operating expenses for the quarter are a result of SDD's sales decline between the compared periods. Additionally, the decreased operating expenses can be attributed to the Company's ongoing focus on cost-efficiency and savings during the quarter.

OPERATING PROFIT

The EBITDA result for the third quarter amounted to 12,711 (19,229) KSEK.

The EBIT result for the quarter was 717 (6,935) KSEK.

The financial net for the quarter amounted to -8,485 (-6,525) KSEK. Associated bond costs of -15,719 KSEK are recognized gradually over the same period as the loan's term and are recorded under interest cost accounts. The bond loan carries a floating interest rate of 3-month STIBOR plus 875 basis points, with the variable interest rate accounting for the change between quarters.

Profit before tax was -7,768 (410) KSEK.

Earnings per share amounted to SEK -0.65 (0.01).

INVESTMENTS

During the third quarter, investments in product development amounted to 7,774 (13,119) KSEK. Depreciation of intangible assets was -9,659 (-10,407) KSEK. Investments in tangible assets amounted to 884 (536) KSEK for the quarter. Depreciation of tangible assets was 1,366 (-977) KSEK.

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 asset of 4,865 KSEK has been recorded in the group, with depreciation of -970 KSEK, and an interest expense of -58 KSEK for the quarter, both of which have replaced the rental cost. The financial liability amounts to 4,653 KSEK as of the end of September.

NUMBER OF EMPLOYEES

The number of employees in the group at the end of the period was 233 (151). The majority of the employees are software developers. In addition to this, SDS has approximately 40 (169) consultants. The company previously had a close collaboration with a consulting firm in Pakistan, and during the quarter, these consultants were offered the opportunity to become employees in the company's subsidiary in Pakistan.

CASH FLOW AND FINANCIAL POSITION

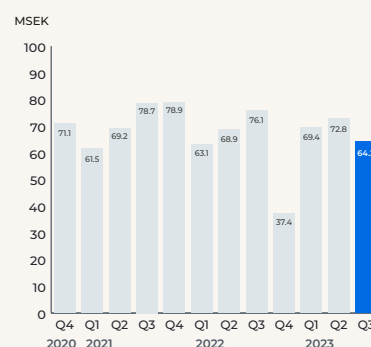
Cash and cash equivalents at the end of the period amounted to 11,110 (10,409) KSEK.

Furthermore, the company has an unused overdraft facility of 9.0 MSEK.

The cash flow from operating activities during the third quarter amounted to -872 (11,541) KSEK. The cash flow for the period was -1,836 (-298) KSEK.

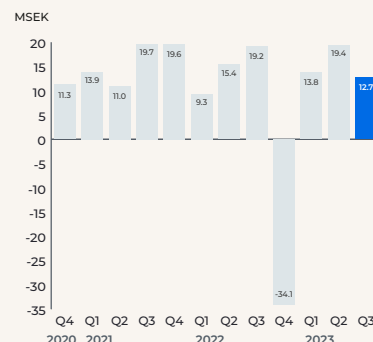
Net sales

64.2 MSEK



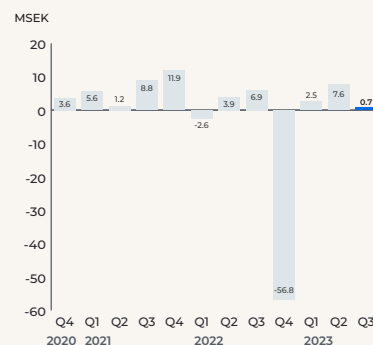
EBITDA result

12.7 MSEK



EBIT result

0.7 MSEK



FINANCIAL OVERVIEW

JANUARY - SEPTEMBER 2023

NET SALES

The net sales for the first nine months of the year amounted to 206,320 (207,979) KSEK, a decrease of -0.8% compared to the same period the previous year. Other operating revenues amounted to 18,196 (28,811) KSEK.

Despite SDD's sales decline during the first nine months of the year, the net sales are in line with the same period the previous year. Throughout the year, the Company has secured strategic orders containing both existing and new products, which have positively contributed to the revenue.

OPERATING EXPENSES

The operating expenses for the first nine months of the year amounted to -213,675 (-228,619) KSEK, a decrease of -6.5% compared to the same period the previous year.

The reduction in operating expenses is primarily due to both lower direct costs and travel expenses, as well as from the cost efficiency measures that the Company continuously works on throughout the year.

OPERATING PROFIT

The EBITDA result for the first nine months of the year amounted to 45,937 (43,934) KSEK.

The EBIT result for the first nine months of the year was 10,841 (8,168) KSEK.

The financial net for the first nine months of the year amounted to -22,027 (-16,747) KSEK. Associated bond costs of -15,719 KSEK are recognized gradually over the same period as the loan's term and are recorded under interest cost accounts. The bond loan carries a floating interest rate of 3-month STIBOR plus 875 basis points, with the variable interest rate accounting for the increase during the year.

Profit before tax was -11,186 (-8,578) KSEK.

Earnings per share amounted to -1.08 (-0.93) SEK.

INVESTMENTS

During the first nine months of the year, investments in product development amounted to 22,872 (36,176) KSEK. Depreciation of intangible assets was -28,868 (-30,556) KSEK. Investments in tangible assets amounted to 1,982 (2,579) KSEK for the year. Depreciation of tangible assets was -3,379 (-2,544) KSEK.

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 asset of 4,865 KSEK has been recorded in the group, with depreciation of -2,849 KSEK, and an interest expense of -209 KSEK for the first nine months of the year, both of which have replaced the rental cost. The financial liability amounts to 4,653 KSEK as of the end of September.

CASH FLOW AND FINANCIAL POSITION

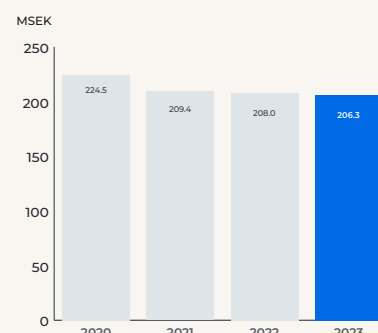
Cash and cash equivalents at the end of the period amounted to 11,110 (10,409) KSEK.

Furthermore, the company has an unused overdraft facility of 9.0 MSEK.

The cash flow from operating activities for the first nine months of the year amounted to 4,976 (18,919) KSEK. The cash flow for the period was 5,370 (-7,810) KSEK.

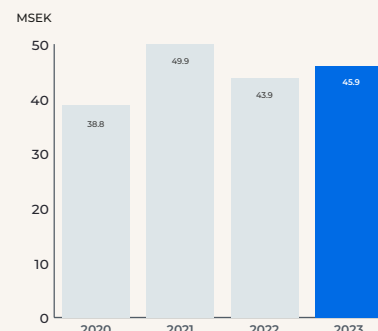
Net sales

206.3 MSEK



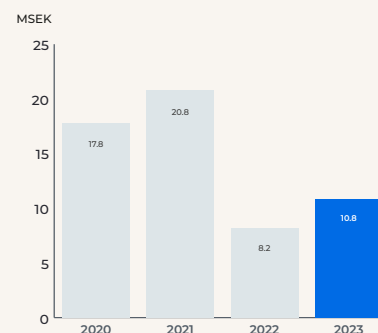
EBITDA result

45.9 MSEK

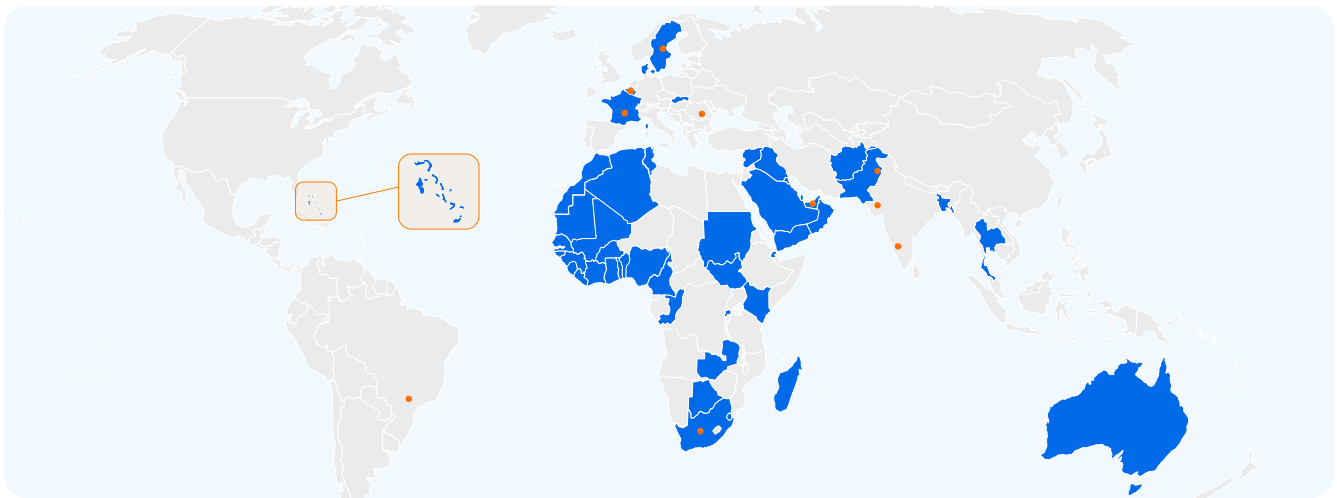


EBIT result

10.8 MSEK



MARKET PRESENCE



● 10 offices ● 75+ Customers



Africa
30 countries
44 customers
1 office



Asia
11 countries
14 customers
4 offices



Europe
5 countries
17 customers
4 offices



North America
1 country
1 customer



Australia
1 country
1 customer



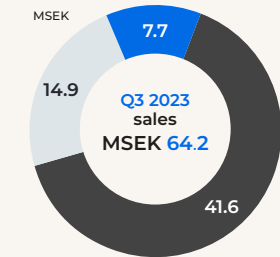
South America
1 country
1 office

SHARE PERFORMANCE



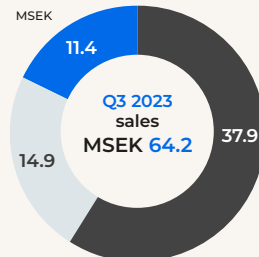
REVENUE

Product offering



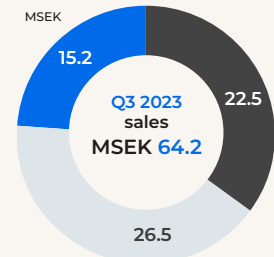
MSEK		
Riaktr	7.7	12%
SDD	14.9	23%
SDS	41.6	65%

Revenue types



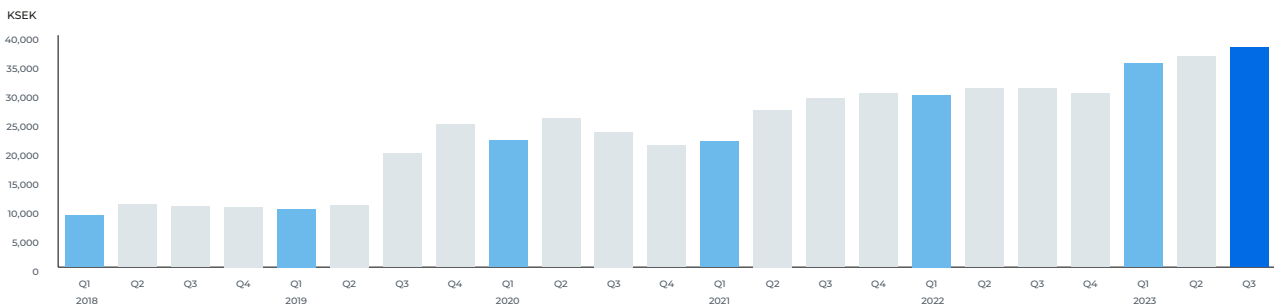
MSEK		
New sales	11.4	18%
Re-occurring revenue	14.9	23%
Recurring revenue	37.9	59%

Geographic sales



MSEK		
Europe	15.2	24%
Africa	26.5	41%
Asia / Middle East	22.5	35%

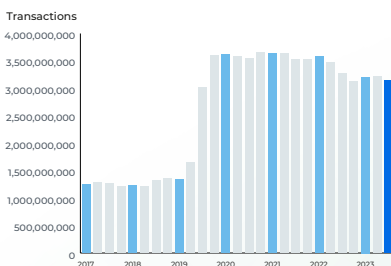
RECURRING REVENUE



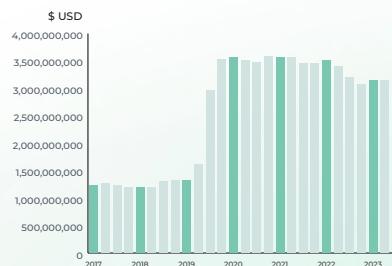
* Reported figures are not FX-adjusted.

TRANSACTIONS

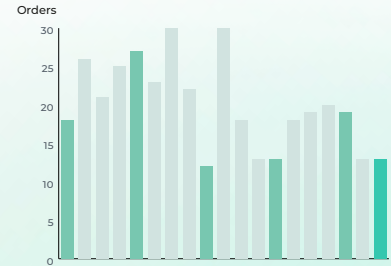
Number of transactions handled by ERS 360 per quarter



Monetary value managed by Seamless system per quarter



Number of orders won per quarter



THE 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

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.

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:

Cost optimization through our cohesive products

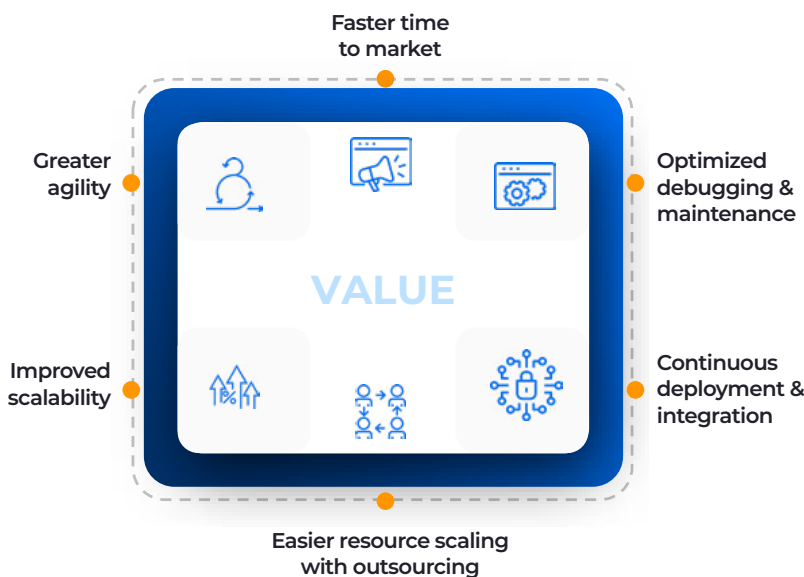
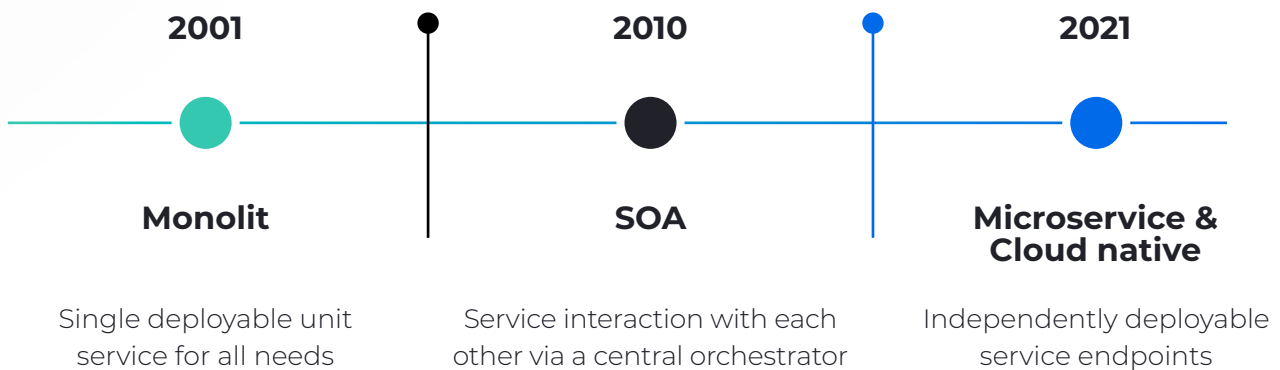
Unmatched business efficiency through our insight-driven portfolio

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.

The Seamless RVM Suite

Turning telecom S&D into a revenue-generating engine



CONSOLIDATED REPORT ON TOTAL RESULTS

KSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
Operating revenue					
Net sales	64,168	76,064	206,320	207,977	245,412
Other operating revenue	9,272	14,491	18,196	28,811	33,837
Total operating revenue	73,439	90,555	224,516	236,787	279,249
Operating expenses					
Material expenses	-19,837	-27,737	-61,640	-74,452	-96,846
Other external expenses	-5,529	-12,974	-31,398	-41,115	-63,735
Personnel costs	-23,824	-21,151	-64,236	-59,614	-84,405
Depreciation and amortization	-11,995	-12,294	-35,096	-35,765	-58,387
Other operating expenses	-11,538	-9,464	-21,306	-17,672	-24,462
Total operating expenses	-72,723	-83,620	-213,675	-228,618	-327,835
Operating profit/loss	717	6,935	10,841	8,168	-48,586
Financial items					
Financial income	2	3	29	20	29
Financial expenses	-8,486	-6,528	-22,056	-16,766	-23,538
Net financial items	-8,485	-6,525	-22,027	-16,746	-23,509
Profit/Loss before tax	-7,768	410	-11,186	-8,578	-72,096
Income tax	-537	-265	-1,808	-973	-3,319
Profit for the year attributable to the Parent Company's shareholders	-8,305	145	-12,994	-9,551	-75,415
Other comprehensive income					
<i>Items that may be reclassified to profit for the year:</i>					
Translation differences	-6,575	4,214	2,496	6,750	9,145
Total comprehensive income attributable to Parent Company's shareholders	-14,880	4,359	-10,498	-2,801	-66,270

CONSOLIDATED BALANCE SHEET

KSEK	2023-09-30	2022-09-30	2022-12-31
Assets			
Intangible assets	221,643	229,588	221,631
- of which IP rights	7,750	10,417	9,750
- of which Capitalized development costs	103,675	114,464	105,154
- of which Goodwill	110,218	104,707	106,727
Tangible fixed assets	8,722	14,070	12,567
Financial assets	1,362	1,185	1,115
Inventories of finished goods	1,693	2,266	1,951
Accounts receivable	64,655	48,732	64,058
Other receivables	51,881	37,062	35,987
Prepayments and accrued income	57,995	92,859	43,296
Cash and cash equivalents	11,110	10,409	7,234
Total assets	419,060	436,171	387,839
Equity and liabilities			
Equity	109,676	145,747	82,278
Other long-term liabilities	205,156	202,170	3,925
Overdraft	-	7,433	9,109
Trade payables	31,885	36,265	40,247
Current tax liabilities	-	503	359
Other current liabilities	19,117	13,648	220,742
Accrued liabilities and deferred income	53,226	30,405	31,180
Total equity and liabilities	419,060	436,171	387,839

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
At beginning of period	106,556	141,388	82,278	128,648	128,648
Comprehensive income for the period	-14,880	4,359	-10,498	-2,801	-66,270
New share issue	18,000	-	37,896	19,900	19,900
At end of period	109,676	145,747	109,676	145,747	82,278

CONSOLIDATED CASH FLOW STATEMENT

KSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
Cash flow from operating activities before change in working capital	-71	8,992	19,038	25,294	-31,078
Change in working capital	-801	2,549	-14,062	-6,375	44,148
Cash flow from operating activities	-872	11,540	4,976	18,919	13,070
Cash flow from investing activities	-8,688	-16,046	-25,501	-46,728	-49,141
Cash flow from financing activities	7,724	4,208	25,895	20,000	25,452
Cash flow for the period	-1,836	-298	5,370	-7,810	-10,619
Cash and cash equivalents at beginning of period	4,174	10,259	7,234	16,698	16,698
Exchange rate differences in cash and cash equivalents	8,772	448	-1,494	1,521	1,155
Cash and cash equivalents at end of period	11,110	10,409	11,110	10,409	7,234

KEY RATIOS AND FIGURES

KSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
Return on equity	-8.7%	0.1%	-13.5%	-7.0%	-71.5%
Earnings per share SEK before and after dilution	-0.65	0.01	-1.08	-0.93	-7.30
Operating profit/loss, KSEK	716	6,935	10,841	8,168	-48,586
Growth in net sales	-15.6%	-3.3%	-0.8%	-0.7%	-14.8%
Operating margin (EBIT)	1.1%	9.12%	5.3%	3.93%	-19.8%
Average number of shares before and after dilution	12,815,866 12,815,866	10,462,924 10,462,924	12,031,552 12,031,552	10,282,744 10,282,744	10,327,789 10,327,789
Number of shares outstanding at end of reporting period	15,464,874	10,462,924	15,464,874	10,462,924	10,462,924
Quick ratio	184%	246%	184%	246%	51%
Equity/assets ratio	26.2%	33.4%	26.2%	33.4%	21.2%
Equity, KSEK	109,676	145,747	109,676	145,747	82,278
Equity per share	8.56	13.93	9.12	14.17	7.97
Number of employees at end of period	233	151	233	151	154



PARENT COMPANY INCOME STATEMENT

KSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
Net,sales	29,941	39,505	96,867	88,044	102,760
Other,operating,revenue	6,435	12,730	14,883	26,445	29,147
Operating,expenses	-35,367	-45,531	-106,687	-117,321	-182,852
Operating,profit/loss	1,009	6,703	5,064	-2,832	-50,945
Net,financial,items	-8,388	-6,409	-22,187	-16,755	-23,393
Profit/Loss,after,financial,items	-7,380	295	-17,124	-19,586	-74,339
Income,tax	-138	-136	-706	-572	-970
Net,profit/loss,for,the,period	-7,518	159	-17,830	-20,158	-75,309

PARENT COMPANY BALANCE SHEET

KSEK	2023-09-30	2022-09-30	2022-12-31
Assets			
Fixed assets	192,864	201,555	190,616
Current assets	142,667	158,412	129,981
Total assets	335,531	359,966	320,597
Equity and liabilities			
Equity	63,977	99,062	43,912
Long-term liabilities	203,694	197,288	-
Current liabilities	67,860	63,616	276,685
Total equity and liabilities	335,531	359,966	320,597
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	2023	2022	2023	2022	2022
	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	JAN-DEC
SDS	49,982	54,273	159,560	144,910	163,659
SDD	14,885	22,459	48,814	64,966	84,362
Intra-Group support fee ¹	-699	-668	-2,054	-1,899	-2,609
Seamless Group	64,168	76,064	206,320	207,977	245,412

Operating profit

KSEK	2023	2022	2023	2022	2022
	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	JAN-DEC
SDS	1,076	7,118	11,904	8,585	-48,116
SDD	340	485	991	1,482	2,139
Intra-Group support fee ¹	-699	-668	-2,054	-1,899	-2,609
Seamless Group	717	6,935	10,841	8,168	-48,586

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

Seamless
Distribution Systems

 **Seamless**
Digital Distribution

OM 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 285 employees in Sweden, France, Belgium, Romania, South Africa, Ghana, Nigeria, United Arab Emirates, Pakistan, and India. SDS processes over 15 billion transactions annually, worth over \$14 billion. Through more than 3 million monthly active resellers of digital products, indirectly, SDS serves over 1.1 billion consumers globally.

SDS shares are listed on Nasdaq First North Premier.

OM SEAMLESS DIGITAL DISTRIBUTION (SDD)

SDD sells airtime in the Nordic region to retailers in the retail industry, including major chains and smaller independent kiosks. SDD delivers complete end-to-end solutions that not only consist of the final digital product but also the technology that enables a simple and fast sales process for the retailer.

SDD's main offering includes electronic products such as prepaid mobile top-ups and payment solutions for online payments. The company's services are tailored and customized to meet individual customer needs, enabling sales through various channels such as the customer's own point-of-sale system or through a terminal or web solution provided by SDD. The core platform ERS360°, used in SDS offerings, is also utilized in SDD's offerings. The platform handles approximately three and a half million transactions annually, with an estimated value of SEK 450 million, in the two markets where SDD operates, Sweden and Denmark. SDD has one employee and serves over 2,000 sales points.

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 significant 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 significant importance for the Group's future development, please refer to the annual report for 2022, pages 35-36. Management's assessment is that there are no significant changes in the risk assessment made in the annual report for 2022.

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 consolidated financial statements for 2022. 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 summary financial statements 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 2023 or later. These additions have not had any significant impact on SDS's financial reports.

NOTE 2 - DISTRIBUTION OF NET SALES

KSEK	SDS	
	2023 JAN-SEP	2022 JAN-SEP
Retail Value Management (RVM)	43,653	29,418
Mobile Financial Services (MFS)	23,827	36,250
Analytics	90,027	77,343
SDS total	157,506	143,011

KSEK	SDD	
	2023 JAN-SEP	2022 JAN-SEP
Etop-up	48,098	63,530
Bank systems	709	1,245
Other	7	191
SDD total	48,814	64,966

NOTE 3 - NET SALES BY GEOGRAPHIC AREA

KSEK	SDS	
	2023 JAN-SEP	2022 JAN-SEP
Africa	96,093	90,934
Middle East and Asia	59,493	46,229
Other	1,920	5,847
SDS total	157,506	143,011

KSEK	SDD	
	2023 JAN-SEP	2022 JAN-SEP
Sweden	40,762	57,062
Denmark	8,030	7,851
Other	22	53
SDD total	48,814	64,966

NOTE 4 - TRANSACTIONS WITH RELATED PARTIES

Martin Schedin, Sandipan Mukherjee, and Tommy Eriksson from SDS's management team, along with Chairman of the Board Martin Roos, have invoiced their fees directly from their own companies to SDS. During the year, SDS has purchased services totaling 9,167 KSEK from related parties.

OTHER INFORMATION

AUDIT

This report has been reviewed by the company's auditors.

ADVISERS

The company's Certified Adviser is FNCA Sweden AB.

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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

Year-end report Q4 2023	2024-02-15
Planned publication of annual report	2024-03-14
Interim report Q1 2024	2024-04-25
Planned date for next AGM	2024-04-25
Interim report Q2 2024	2024-07-25
Interim report Q3 2024	2024-10-24

The interim report of Seamless Distribution Systems for January to September has been approved for publication according to the board decision on October 18, 2023. 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, financial position, and results, and describes the material risks and uncertainties faced by the company and the companies within the group.

Stockholm, October 18, 2023

Mats Andersson

Martin Roos

Chairman of the board

Tomas Klevbo

Eddy Cojulun

CEO

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Website: www.sds.seamless.se

AUDITOR'S REPORT

Seamless Distribution Systems AB (publ) corp. reg. no. 556979-4562

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Seamless Distribution Systems AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

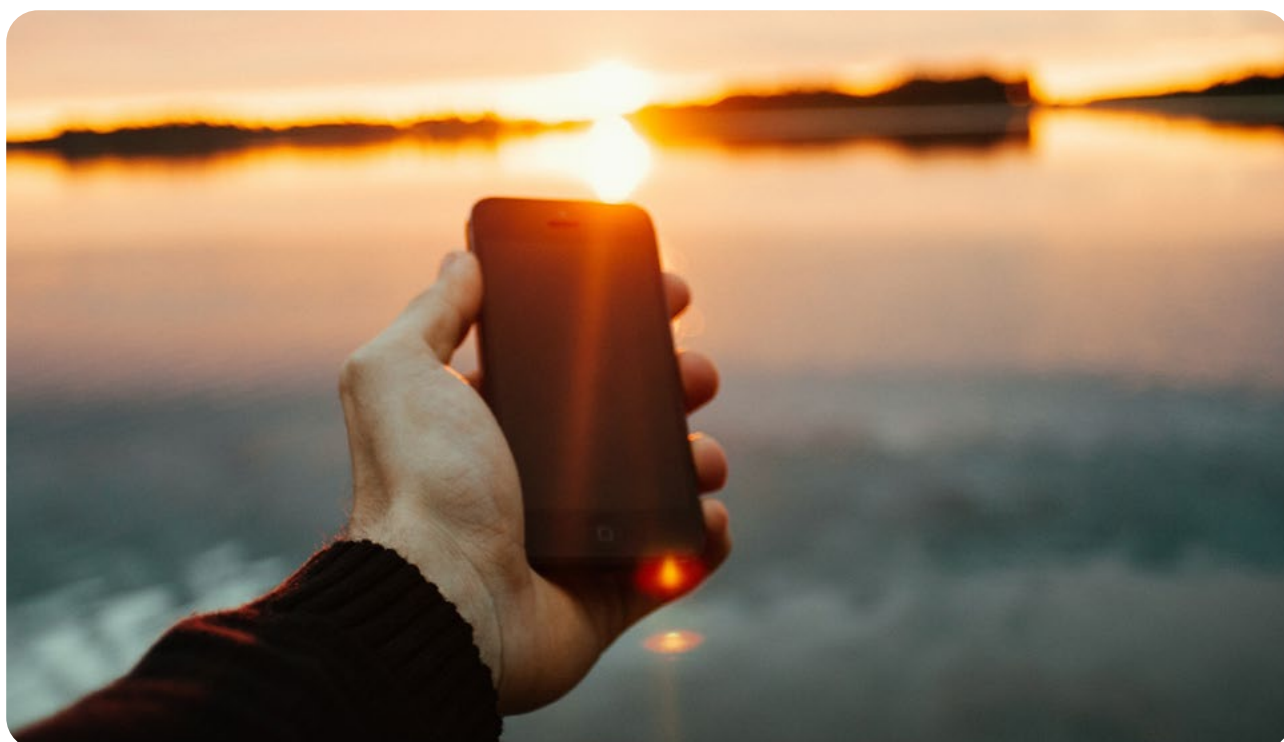
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 18, 2023

Öhrlings PricewaterhouseCoopers AB

Henrietta Segenmark

Authorized Public Accountant



FINANCIAL DEFINITIONS AND ALTERNATIVE KEY RATIOS

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.
Analytics	Collective name for Smart Capex and Smart Sales & Distribution.
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.
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.
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.