

Seamless Distribution Systems - Coverage

Another ERS platform upgrade lifts secured 2026 EBT

Impala Nordic comments on recent updates from Seamless Distribution Systems AB (publ) (“SDS” or the “Company”), where the Company has announced several orders early in 2026 linked to upgrades of its core ERS platform. Today’s order of SEK 4 million increases the Company’s “secured” earnings before tax (EBT) for 2026 to SEK 18-20 million. This corresponds to approximately 40 % of SDS’ full-year guidance of SEK 45-55 million. In our view, the secured earnings progress clearly indicates that the 2025 turnaround is beginning to translate into tangible earnings improvements, and SDS appears well positioned for further installed-base upgrades and support contracts as more operators evaluate ERS upgrades.

Leaner cost base increases earnings impact from new orders

SDS enters 2026 after a turnaround in 2025 that refocused the organisation and reduced the cost base with full effect going into 2026. A key point in SDS’ current positioning is that recurring support revenues cover the full operating cost base, which means additional sales and upgrades should feed more directly into earnings and cash flow. Near-term, the Company is focusing on leveraging the turnaround into steady earnings improvements by expanding in existing customer accounts with existing products while keeping new customer additions selective.

Upgrades in the installed base drive momentum

Today’s announcement relates to an ERS 5 upgrade for an existing tier-1 customer in the Middle East, consisting of a SEK 4 million product licence and a five-year support agreement of SEK 14 million, resulting in a total contract value of SEK 18 million. The support component adds to the recurring base, which adds revenue visibility as licence and project activity can vary by quarter.

The order follows two earlier ERS upgrade orders from existing telecom customers in Q1, including a spillover order in January of SEK 8 million from a customer in the Middle East, and an order of SEK 4 million in February from a customer in Northeast Africa. Together, these upgrade-related orders point to growing demand in the installed base to migrate to SDS’ latest ERS platform generation, and have lifted the Company’s communicated secured EBT to SEK 18-20 million for the year. SDS also notes that several operators are currently evaluating similar ERS 5 upgrades, which supports the near-term strategy of expanding within existing customer accounts rather than relying on new customer acquisition.

Building credibility around the 2026 outlook

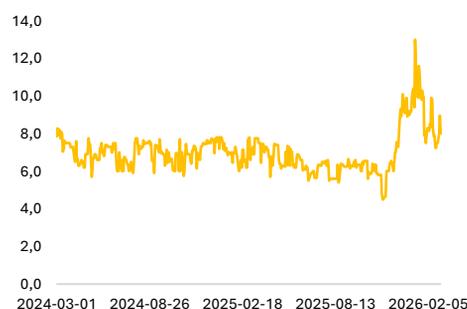
With secured EBT now at SEK 18-20 million, SDS has moved meaningfully closer to its full-year guidance. While a large share of the 2026 outcome still depends on continued order intake and delivery through the year, the early build-up strengthens confidence in the earnings trajectory post the 2025 turnaround. With a global installed base still on earlier platform generations, and a broader module portfolio including AI-driven optimisation and planning tools that have also gained traction in late 2025, SDS is positioned for further upgrade-driven licence sales and multi-year support contracts as more operators evaluate ERS 5.

Impala Nordic recently published a teaser analysis on SDS, [read it by clicking here](#). We will follow up with a full equity analysis.

Overview

Ticker	SDS
List	Nordic SME Sweden
Share Price	6,85 SEK
Number of Shares	21 467 695
Market Cap	147 MSEK
CEO.....	Martin Schedin
Chairman	Martin Roos
HQ	Stockholm, Sweden

Share price development (SEK)



Main shareholders (Source: modular finance)

Avanza Pension	12,70 %
Jan Karlander	11,19 %
Swedbank Försäkring	9,18 %
Mats Andersson	6,20 %
Veronica Wallman	5,42 %
Roland Wallman	4,82 %
Tomas Klevbo	4,81 %
Martin Roos	4,08 %
ÖstVäst Capital Management	3,79 %
Eddy Cojulun	3,13 %

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Conflict of Interest

Analyst owns shares in the Company: **No**

Impala Nordic or people behind Impala Nordic owns shares in the Company: **Yes**

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