

Seamless



Q1 QUARTERLY REPORT

JANUARY – MARCH 2015

JANUARY 1 – MARCH 31, 2015

• Revenues	56 679 (40 774)
• Operating Profit	-31 651 (-33 445)
• Operating Margin	Neg (Neg)
• After tax result	-31 795 (-33 554)
• Earnings per share	-0.76 (-0.80)

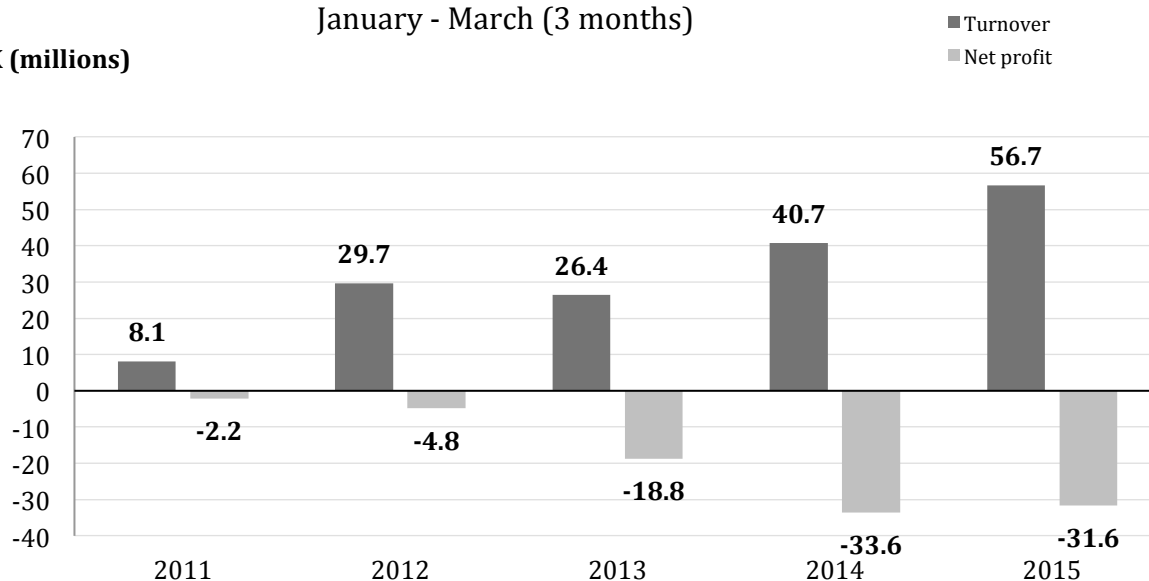
SIGNIFICANT EVENTS DURING THE FIRST QUARTER OF 2015

- SEQR is available to consumers in the Netherlands, Germany, Spain, France and Italy. This means that SEQR is now available in a total of ten country markets. In June, a launch is planned for the United States, to be closely followed by the United Kingdom. With the expansion to these two countries, SEQR will become the world's first global mobile payment solution with an exposure to 600 million people.
- SEQR advertises the best rebate program in the market and connects the service directly to users' bank accounts. With the program, everyone who uses SEQR receives a rebate of up to three percent on all purchases. The possibility of linking the service directly to the user's bank account bypasses invoices, makes bank cards superfluous and offers a powerful incentive for consumers to make the shift from cash or credit cards to mobile payments.
- The Belgian Colruyt Group is stepping up the rollout of SEQR. Colruyt, which is one of Belgium's largest retail chains, rolls out SEQR in 2015 in all of its 500 stores. The cooperation between the Colruyt Group and Seamless began in the autumn of 2014. For some time now, the chain's customers have been involved in pilot testing of the payment-solution, and in the first stage Colruyt introduced the service on several of their e-commerce sites. The next stage in this cooperation commenced during the first quarter of 2015 when SEQR was rolled out in the physical stores..
- This quarter saw an expanded joint collaboration between Q-Park and SEQR. Since 2013, Q-Park, one of Sweden's leading parking facilities players, has offered SEQR in selected parking facilities. In the spring of 2015, SEQR was rolled out at Q-Park's 2500 payment machines around the country.
- Seamless has developed plug-ins for some of the world's largest e-commerce platforms such as Magento, OpenCart, PrestaShop and WooCommerce. This investment means that hundreds of thousands of online merchants will be able, in a quick and easy manner, to connect SEQR to their webshops and offer their customers the possibility of payment by mobile device.
- The migration of Ingram Micro's customers for distribution has begun. The anticipated annual revenues for the customers who migrate to Seamless is expected to be about SEK 70-75 million.
- Effective February 1, 2015, Seamless implemented the following Group Management changes: Annika Blomé, Chief Product Officer, became a new member of Group Management. At the same time, Anders Forssten resigned as Chief Marketing Officer.

REVENUES AND PROFIT GROWTH

January - March (3 months)

SEK (millions)



Seamless

A few words from the CEO

Dear shareholders:

I always enjoy writing my quarterly comments about Seamless. Never in my life have I been involved in a company which is growing at such a furious pace. In just three years, we have gone from a company that was not involved in the mobile payment industry to one that is, in most respects, a world leader. During the first quarter, after two years of hard work, we achieved our target and were able to rapidly launch our mobile payment product, SEQR, in six new markets.

In our traditional Transaction Switch business, we are also harvesting successes, and in the first quarter of 2015, we show record results in this segment in terms of both revenue and profit. The Distribution business segment is also growing strongly and we expect the growth to continue for the foreseeable future.

When our shareholders look at SEQR, our mobile payment product, I believe they should view it from four diverse but related perspectives: technology, strategy, tactics, and earnings potential.

Our strategy, since we invented SEQR, has been very simple. First, to build the technology so that it becomes a world leader, then roll out the technology in as large a population area as possible, and then start getting users in these geographies.

When it comes to technology, I can say today, without hesitation, that we are by far the world leader.

Technology

SEQR can do infinitely more than the nearest competing technology is capable of. It is also significantly more secure and, moreover, faster. With SEQR, users can pay in both physical and online stores, and send money between mobile devices. They can redeem coupons and buy things directly from any media, such as newspapers, television advertising, and online photos. This latter functionality alone has the potential to completely change how the global media industry works. The plain fact is that SEQR, as a product, is so all encompassing that we are competing with a large number of companies that only deal with one of the various functionalities SEQR offers, for example companies that only deal with digital coupons. Virtually all of these companies offer a service where shoppers cannot redeem their coupons automatically. SEQR does this automatically at checkout. SEQR quite simply deducts the value of the coupon from the amount to be paid. A coupon company has no possibility to do this if they do not offer a payment service.

There are several companies that only offer a service where one can transfer money between mobile devices (peer-to-peer). SEQR has the service embedded, and additionally, we are the only service in Europe where one can send money between countries. We will, moreover, according to current strategy, not charge the consumer for the service.

The list of companies that may compete with subsets of what SEQR offers is, therefore, very long. However, it is our view that these companies do not have a sustainable business model. We are convinced that a mobile payment service must be able to be used in all environments, for all types of payments to be competitive with existing payment systems.

Shop on the Spot is a part of the SEQR technology that makes it possible to buy things from any media surface at any time. It quite simply converts anything you can see into a transaction, or you could say that it converts advertising to a point-of-purchase retail outlet. This makes a huge difference for all media, as it no longer needs to use advertisements to push consumers to physical stores or online shops. They can now simply sell the product directly in the media. This obviously increases the conversion rate from advertising to purchases and, moreover, makes the channel holder - that is the newspaper, television or other media company - into its own retail outlet. This technology has the potential to completely change the entire way we think about advertising and how media companies make money.



Seamless

I could write at length about technology but stop here and suggest that you, as a shareholder, should keep an eye on our technology. Further development is taking place continuously. Using our basic architecture, we can add functionality - something that no competitor can currently offer.

Strategy

Our strategy is simple. We are a Swedish company and we operate in a relatively small country in terms of population. Each product coming to market is likely to attract a certain percentage of people who use it. This is a general truth that applies across all industries. This means that if one simultaneously develops the same product in the U.S. and in Sweden, a similar percentage of people will probably use or buy it. This means that in the competition between a Swedish and an American company, the American company will usually win in terms of revenues.

Based on this, Seamless chose a plain, simple, and self-evident, strategy to expand as quickly as possible geographically to countries with larger populations. As I write, our services are available in ten countries, and in June this year we expect to be in twelve countries when we make our services available in the U.S. and the UK. This means that SEQR will be available in countries with a total population base equivalent to some six-hundred million people.

Here too, we are also world-leading, where the nearest competitor is in only one country. Thus, by June we will lead by 11 countries. The closest competitors have a population base of just over 300 million people, as these competitors are in the U.S.

It should be emphasized that it is not easy to create a mobile payments service which simply can be rolled out in several countries that allows the consumer to travel across borders and still pay with the same service. There is a huge infrastructure behind the ability to provide such a service. The only competitors who have actually succeeded with this are the VISA and MasterCard networks. They have built up this infrastructure over 49 years and involves thousands of businesses to just maintain various aspects of this network.

Seamless has succeeded in creating such an infrastructure in two and a half years. It has taken a large part of our resources, but during the first quarter of 2015 we achieved our goal. The honest truth is, I have never seen a more potentially disruptive technology than that which Seamless has built, given that we process payments in all these countries without any other parties involved.

Now begins the process of getting consumers in these countries to use SEQR as widely as possible. This means that, to some extent, Seamless will change its character and larger and larger portions of our business activities will focus on marketing and other ways to attract consumers.

We are not a global market leader in terms of the number of consumers who use our service. Presently Apple is in the lead, with its product ApplePay. Apple, as we all know, has a very strong brand, something that helps them when they launch a service. Seamless is not in the same position with SEQR. On the other hand, however, we have a service and a geographic reach along with technology that today, and for the foreseeable future, will be ahead of Apple. Of course, it has to be said that none of the participants in mobile payments think they can monopolise the market. The mobile payments market is simply so immense and presently generates such enormous profits that it is sufficient with fractions of a percent of market to show great profitability.

Tactics

Large retailers have very long innovation and adaptation cycles. In simple terms, this means that it takes a long time for a large chain enterprise to embrace a new technology. In SEQR's case, of course a merchant still has to decide to accept SEQR payments in order for you as a consumer to be able to pay the merchant via SEQR. The process for the merchant to take such a decision can sometimes take several years, despite the fact that the merchant does not need to make any investment or engage in any development of its own IT infrastructure. The Seamless sales team is constantly out in the field engaging in discussions with retailers in order to initiate and advance the process that will bring the merchant to the point of accepting SEQR, but it is, I stress, not a rapid process.

Portions of SEQR's product portfolio and functionality, however, make it possible for us to work around the problem of the merchant's long adaptation cycle. Something worth mentioning in this regard is ShopSpot and the Peer-to-Peer functionality. What these two products share is that they are immediately infinitely scalable. Thus, we do not need to wait for a third party in order to launch our product. This means that when we launch in new countries or regions, we use this type of product as a spearhead while, in parallel, we work with merchants.

Seamless

Revenue and earnings potential

SEQR provides Seamless with a number of potential and realized revenue streams. Among the significant ones are, transaction fees, advertising revenue, coupon management fees, income from “big data,” channel margins in the ShopSpot segment, and notification fees from credit institutions. In addition, there is potential income that is not directly related to the volume of transactions, such as license fees from regions where we do not wish to pursue SEQR ourselves.

What is significant with SEQR is that, due to these various revenue sources, we can achieve higher profitability than the traditional credit card industry while simultaneously offering a considerably lower transaction fees to merchants. Actually, it's not that surprising - a plastic card is indeed a very limited technology compared to a mobile device. One quite simply can not interact with the consumer via a piece of plastic.

Our revenues from SEQR from 2015 and onwards will increase at the rate the transactions in the system increase, but it's worth keeping in mind that when a new merchant signs a contract with us, this doesn't immediately generate revenue. Consumers first need to realize that they can use SEQR at the merchant and then start using SEQR for their payments.

In closing, I would like to say that I consider it a privilege to be involved in the development which Seamless and SEQR is in the midst of. The payment industry is undergoing dramatic change and Seamless is one of the driving factors in this change, on a global basis.

Last, but not least, I would like to thank our extremely intelligent and hard-working people at Seamless - in many parts of the world. Without your incredible efforts, we would not be where we are today.

Peter Fredell
CEO



The Group

Revenues

During the first quarter Seamless' revenues increased by 39 percent to SEK 56 679 thousand (40 774). Total revenues are derived from among the various business segments, with 28 percent (22) from the Transaction Switch business segment, 69 percent (73) from the Distribution business segment, and 3 percent (5) from the SEQR business segment.

Financial Results

- The consolidated operating loss amounted to SEK -31 651 thousand (-33 445) in the first quarter.
- First quarter net losses from financial items amounted to SEK -37 (-78).
- Earnings per share amounted to SEK -0.76 (-0.80) for the quarter.

Employees

The Group had 147(153) employees at the close of the quarter. In addition to this, Seamless has retained approximately 40 consultants – primarily in India, Ghana and Pakistan.

Investments

During the quarter, investments have been made with a value of SEK 8 623 thousand (855). Product development costs have been capitalized at a value of SEK 2 761 thousand (5 519), while depreciation taken and amortization amounted to SEK -5 999 thousand (-2 769).

Cash flow and financial position

Cash flow from operating activities amounted to -31 659 thousand (-35 513) for the first quarter. Bank deposits and cash equivalents at the end of the quarter amounted to SEK 63 371 thousand (260 320).

The Group has interest-bearing liabilities in the form of leases for hardware amounting to SEK -2 412 thousand (-2 794), divided between long-term debt of SEK -869 thousand (-752) and short-term debt of SEK -1 543 thousand (-2 042). The Company has no interest-bearing liabilities to banks or other credit institutions.

Other than the above, the Group has no borrowings. Seamless has an equity ratio of 77 (88) percent. As announced in press releases and in the previous quarterly report, savings measures have been taken during the third and fourth quarters that will result in anticipated savings of about SEK 80 million annually. The effects of these savings have started to be seen already during the first quarter of 2015 where the loss has decreased with SEK 20 million from SEK -51 million to SEK -31 million. The full effect of these savings will be seen from the middle of the second quarter and onwards. Some of these savings measures have been to discontinue the Swedish part of Seamless development department, which resulted in approximately 30 people had to leave the company.

Parent company

The parent company's net sales for the quarter amounted to SEK 1 966 thousand (0) and net financial results amounted to a loss of SEK -3 471 thousand (-6 292). Net financial gains/losses in the parent company were SEK 0 thousand (0), and bank deposits/cash on hand amounted to SEK 21 826 thousand (240 467) at the end of the quarter. The parent company had 5 (5) employees at the close of the quarter.



Business Segments

	Net Sales, SEK thousand				Growth, Net sales compared to same period previous year			
	Jan-March 2015	Jan-March 2014	Full Year 2015	Full Year 2014	Jan-March 2015	Jan-March 2014	Full Year 2015	Full Year 2014
Transaction Switch	15 629	9 144	15 629	41 115	71%	neg	71%	neg
Distribution	39 170	29 702	39 170	111 761	32%	113%	32%	35%
SEQR	1 880	1 928	1 880	8 398	neg	43%	neg	-
Non-distributable	-	-	-	-	-	-	-	-
Seamless Group	56 679	40 774	56 679	161 273	39%	17%	39%	20%

	Earnings, SEK thousand				Operating Margin			
	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
Transaction Switch	8 204	1 246	8 204	9 741	52%	14%	52%	13%
Distribution	-2 161	-2 210	-2 161	-11 763	neg	neg	neg	neg
SEQR	-28 833	-26 350	-28 833	-135 555	neg	neg	neg	neg
Non-distributable	-8 861	-6 131	-8 861	-27 420	neg	neg	neg	neg
Seamless Group	-31 651	-33 445	-31 651	-164 997	neg	neg	neg	neg

Transaction Switch

Operations in: Seamless Distribution Systems AB

Established in: 2001

Products include: E-TopUp, Value-Added Services (VAS) and Managed Operations (MOPS)

Background

Seamless supplies systems for electronic loading of stored value cards and vouchers for top-up payments and other e-Products such as gift cards and prepaid debit cards. The system is more effective and secure alternative to the former physical vouchers (scratch cards) containing a top-up/reloading code. The system increases the range of products the reseller has on offer, without taking up valuable shelf space, and makes possible a faster distribution in the market. This offers a huge competitive advantage for distributors that operate in countries where infrastructure and security is a challenge. The system additionally offers the customers of our mobile network operators the possibility to establish, administer and monitor a network of resellers who ensure that, firstly, the subscriber base is increased, and secondly that their consumption of cellular airtime/data is supplied in a timely and efficient manner.

Since the initial installation, some 15 years ago, the development of the Seamless ERS 360 platform has followed along with the new needs and constantly increasing market demands as more and more products and services are introduced electronically, and ERS 360 is now in its fourth generation of technology.

Further development and improvements have focused primarily on increased performance, security, and ease of use for the user. The Seamless ERS 360 platform is installed and in operation at several mobile network operators who are handling massive volumes of transactions and significant amounts of money, and contains a comfortable capacity in order to be able to handle further growth.

Seamless

Market developments in Q1 2015

Our order intake and revenues during the quarter have significantly increased and we have regained levels that have not been seen for several years.

One highlight for the quarter has been a breakthrough and new order from an operator in West Africa and orders for upgrading to our latest generation platform from one of our European customers.

Our ambition has been to translate our understanding of the success factors that increase consumers' use of the electronic distribution channel into business. We have seen success with this during the quarter with several additional orders of functionality. Sales are made from our existing product range, which means that the time from order to payment will be short and in addition profitability grows while labor inputs are minimized. Our investment in product management can thus already be seen in results for the first quarter.

On the first of January we launched salesforce.com as a CRM system. The system has given us transparency in our working with prospective new partners and customers, and thus an ability to prioritize the sales work and to find good combinations. We have therefore chosen to transfer staff from the engineering department to sales and product marketing. We have also engaged consultants to begin working with Central and South America in a quest to understand the market and acquire a sufficient customer base in order to establish ourselves in the region over the next year. Our home ground in Africa and the Middle East remains the main focus for growth. Our sales office in Dubai has been able to deepen cooperation with one of our largest customers, which among other things resulted in a very good turnaround time in the accounts receivable ledger.

A large transaction from the previous quarter, together with upselling sales including license upgrades from one of our newest operators brought in significant revenue during the quarter. This large transaction also follows the guidelines for product sales and therefore we have been able to deliver it during the quarter.

Market Outlook

Current income provides a solid and growing base for our revenue stream each quarter where we annually renew existing, and add new, agreements for support and managed operations where Seamless has management responsibility for the client's platform.

We have managed according to plan to increase our order intake during the quarter, which gives us the preconditions to maintain and increase sales in coming quarters.

Ongoing efforts in streamlined delivery and improved management of outstanding accounts receivable will further improve our cash flow.

The customers show great confidence in us and we have several excellent references where we can easily show the added value of investing in our products. This applies both when we win new customers, as well as when we sell supplementary functions to our existing customers. The best transactions are license upgrades, which show that the customer's business is growing, and which are very profitable.

Our financial investment and efforts in product development mean that in the coming quarters we are planning to launch a new strategic product. This will generate a faster and more cost-effective establishment of distribution and sales networks for operator customers. We therefore anticipate strong interest and increased sales and revenue.

We are now increasing our focus on Africa and the Middle East with more sales resources and are establishing ourselves with locations with a vendor in Latin America.



Seamless

Distribution

Operations in: Sia Lettel, Seamless Payments and SEQR Nordics

Established in: 2011

Products include: Physical and electronic distribution of mobile Top-Up/refill codes and other electronic products via retail outlets, banks and online channels.

Background

e-Products

The concept e-Products encompasses a wide range of products such as mobile Top-Up/refill codes, electronic gift cards, and prepaid debit cards. For merchants, e-Products provide the opportunity to increase sales and consumer inflows without the requirement of making a financial investment, and as well, it avoids tying up capital or the need to maintain an inventory with the products taking up valuable display space in the store. With the electronic distribution of these products, voucher and stored value codes are delivered digitally.

Technology

Two distribution technologies are available globally for mobile Top-Up.

- “e-Voucher” – where a voucher with a unique code is distributed electronically with this voucher code being printed out from the reseller’s card terminal or directly via the cash register.
- “Direct Top-Up” – where the consumer’s prepaid SIM is topped-up via that the phone number and the amount to be credited based on the stated amount. Adding funds to a cell phone account takes place directly at the mobile network operator and the consumer receives an SMS confirming the transaction.

In some markets the e-Voucher is the dominant technology, while in other markets, Direct Top-Up is more dominant. In mature markets such as Sweden, the typical situation is that both technologies are used in parallel, as they satisfy different needs and address different consumer behaviors. Seamless offers both of these solutions in one single technological platform.

Market Developments in 2014 and the impact in 2015

Revenues rose by 11% in 2014 compared with the previous year and in the third quarter Seamless was able to announce a deal with Ingram Micro, whereby Seamless acquires the prepaid distribution customers and supplier agreements from IM.

The acquisition did not affect the sales or earnings during 2014. As customer migration started only in Q1 2015, this will mean that an impact in revenues will begin to be seen in Q2.

The acquisition is made with a reservation for post-acquisition events, which means that Seamless will not pay for customers that eventually drop out of the system before June 30, 2015, and the outcome of the acquisition will not be reported until Q3.

The previous assessment was that the deal is expected to contribute to an increase in annual revenues in the Distribution business segment of approximately SEK 70-75 million remains in effect. Since many of the distribution agreements are signed with retail chains who do not yet utilize SEQR, some additional impact may also be expected in this business segment.

Growth during Q1 – 2015

Sweden

Work during the quarter has largely focused on the migration of customers from Ingram Micro Mobility. This has meant an increase in the number of contracted stores by over 100%. A new long-term framework agreement was signed with Axfood Group for the distribution of vouchers via their corporate and affiliated stores.

Denmark

The Danish subsidiary is operational and the first retail agreement has been signed. The first revenues will be reported in the second quarter of 2015.

Latvia

In late 2013, Lettel’s largest customer, Plus Punkts, was declared insolvent and disappeared from the market. Plus Punkts had accounted for one-third of Lettel’s sales. No credit losses occurred for Lettel, however the incident has obviously had a negative effect on revenues and earnings. This has

Seamless

had an impact on sales and net financial profits during all of 2014, which is more than 30% lower than for the same period in 2013. Work is underway to regain the lost volumes, but revenues in 2015 will remain at a lower level than in 2013.

Bank top-up

The partnership with Mobile carriers and banks in the Swedish market where Seamless ties together all mobile carriers and banks to enable consumers to buy recharge of prepaid cards via bank channels (mobile banking, Internet banking, and telephone banking) has been expanded during the quarter to include Danske Bank.



Seamless

SEQR

Operations in: Seamless Payments, Seamless Remittance, Seamless Romania, SEQR Finland, SEQR BeNeLux and SEQR Nordics.

Established in: 2012

Products include: Mobile Payments

It has been an eventful quarter for SEQR – Europe’s leading mobile payment solution. During the quarter, SEQR - already established in the Swedish, Finnish, Romanian, Belgian and Portuguese markets – added a further five markets by expanding into France, Italy, the Netherlands, Spain and Germany .

SEQR works not only in physical stores and with online merchants, but also via the SEQR ShopSpot service, which basically does everything for a possible sale using a QR code scanned from any surface. This can occur via an advertisement or digital banner ad, or a physical product or promotional video, for instance.

SEQR ShopSpot is a unique service that has all the potential to revolutionize trade. It goes beyond the two traditional sales channels – physical in-store and online – and instead makes everything into a potential sales channel. SEQR ShopSpot has also enabled us to accelerate the rollout of the service and offer the market’s smartest mobile payment service to more people. SEQR is now no longer dependent upon the retail chains’ integration rate of SEQR in the physical stores.

The technology behind SEQR enables merchants to halve the transaction costs that come with credit card purchases. Consumers, will also save money using mobile payments. SEQR provides up to 3 percent back on all purchases made with the service. With SEQR, consumers can also transfer money between accounts free of charge via the mobile. The feature works across national borders, which means that users in France, for example, can transfer money free of service charges to any user within the same currency area in one of the countries where SEQR is established. Moreover, in several of the countries where SEQR is available, we are the first company to launch this type of service. Transfers between different currency areas will be possible in late 2015.

– We want to be the world’s smartest mobile payment service and that means making life easier for our users. Being able to quickly transfer money between each other is something that has been very popular in Sweden and, therefore, it is natural to be able to offer it, and all of SEQR’s other services, in more and more countries. The establishment in these markets will now continue by signing up more individual physical stores and chains.

These launches mean that at the time of publication of this quarterly report, SEQR is in ten markets and in June, plans to be introduced in the United States, closely followed thereafter by the United Kingdom. With this expansion, SEQR will become the world’s first global mobile payment solution with an exposure to 600 million people.

After the launch in the U.S. and UK, SEQR will be present in twelve countries. This is 11 more countries, and more than twice as large potential market, as its nearest competitor. Work now continues to also become leading in the number of users.

In countries where we are already present, we will see an intensification at one of Belgium’s largest retail chains, the Colruyt Group, which is now rolling out SEQR. During the year, all of their approximately 500 stores in Belgium will be able to offer Europe’s leading mobile payment service. It was last autumn when the cooperation between the Colruyt Group and Seamless began. In the first stage, Colruyt introduced the service on several of their e-commerce sites. Now it’s time for the second stage, where the physical stores will follow. The Colruyt Group is active in the food and retail industry and has business operations in Belgium, Luxembourg and France, with some 27 000 employees and annual sales of EUR 8.7 billion.

3% rebate on all purchases

SEQR introduces the best rebate program and connects the service directly to the user’s bank account. From March 1, 2015 everyone who uses SEQR will receive up to a three percent rebate on all purchases. The possibility of linking the service directly to the user’s bank account avoids invoices and makes bank cards superfluous, not to mention that it is a powerful incentive for consumers to make the shift from cash or credit card to a mobile payment method. SEQR makes it even smarter and easier to pay by mobile device.

Seamless

No registration is required to obtain the rebate. It is automatically paid to all SEQR users, is valid on all purchases, and is in addition to other customer loyalty club benefits or other discounts.

All purchases made via SEQR from March 1, 2015 are included. The only thing required of the consumer is to make at least one purchase with SEQR per month— regardless of amount – in order to get a one-percent rebate. Twelve purchases or more per month results in a two-percent rebate, and 20 purchases or more per month results in a three-percent rebate.

E-commerce

SEQR now seriously enters into e-commerce and has developed plug-ins for some of the world's largest e-commerce platforms. This investment means that hundreds of thousands of online merchants will be able, in a quick and easy manner, to connect SEQR to their web-shops and offer their customers the possibility of payment by mobile device. Mobile payments are growing exceptionally rapidly and, just in the last year, several exciting new services were introduced to the market. SEQR has been available in physical stores for a long time now, and efforts to strengthen its position in mobile payments online, is part of the expansion plan. For Magento, OpenCart, PrestaShop and WooCommerce, some of the world's largest e-commerce platforms, SEQR has developed plug-ins that will facilitate the implementation of the mobile payment service in e-commerce. Overall, these e-commerce platforms have over half a million web-shops associated with them globally.

E-commerce is growing all the time and the demand from customers concerning a more efficient way of paying when shopping online is steadily increasing. SEQR offers just that, and more merchants will jump on the bandwagon in order to respond to customer demand. For Seamless, this means an opportunity for faster deployment and expansion. Already in the first quarter, e-retailers in Sweden, Finland, Romania, Portugal and Belgium connect SEQR to their web-shops via these plug-ins. The new initiative means that in spring SEQR will also be able to offer e-retailers in Germany, Italy, France, Spain, UK, USA and the Netherlands the possibility to connect.

Significant events after the close of the reporting period

The Annual General Meeting for Seamless was held on Monday, May 4, 2015 in the city of Stockholm at St. Eriksgatan 121. At the Annual General Meeting, the shareholders, in accordance with the recommendations for decision, decided upon the following:

Adoption of the Profit & Loss Statements and Balance Sheets, and the discharge of liability for the Directors and the CEO

The Annual General Meeting adopted the Profit & Loss Statements and the Balance Sheets, and gave its assent to the unappropriated profits of SEK 123 561 262 being carried forward to the following accounting period.

The Members of the Board of Directors and the CEO were granted a discharge of liability for the 2014 fiscal year.

Board of Directors, Directors' fees and Auditor

Peter Fredell, Robin Saunders, Omar M. Cordes were re-elected to the Board of Directors. Martin Börresen and the Board of Directors' Chairman Michael Sundin had given notice that they were not available for re-election. The Nominating Committee had, in light of this, proposed the new election of Kristin Berdan and Hein Pretorius, who were elected to be a member of the Board of Directors. The later was elected to be the Chairman for the period until conclusion of the next AGM.

The Annual General Meeting decided that Directors' Fees shall be paid to the Members of the Board of Directors in accordance with the Nominating Committee's Recommendation.

Nominating Committee

The Annual General Meeting approved the proposed instructions and by-laws for the Nominating Committee.

Guidelines for remuneration to senior management

The Annual General Meeting approved the proposed guidelines for remuneration to senior management.

Authorization to issue shares and/or warrants and/or convertible bonds, and regarding the repurchase/transfer of treasury shares

The Annual General Meeting resolved to authorize the issuance of up to 10 000 000 shares and/or warrants and/or convertibles.

It was further resolved to authorize the repurchase and the transfer in respect to treasury shares. The repurchases may take place on NASDAQ OMX Stockholm within the prevailing registered share price range, and so that the maximum number of shares that the Company, after any repurchases, holds a maximum of 10 percent of the total shares of the Company. The transfers may take place on NASDAQ OMX Stockholm or in connection with the acquisition of all or part of companies or business operations with maximum number of shares held by the Company at the time of the Board of Director's decision regarding the transaction. Transactions on the NASDAQ OMX Stockholm may only occur at a price within the current price spread, or in connection with the acquisition of all or parts of companies or business enterprises, on market terms and conditions, however not at a price below the current share price quoted on the exchange.

Incentive scheme for employees

The Annual General Meeting decided on an incentive program for employees of the Company based on warrants that are transferred at market price or granted without cash payment (see below for more details). A maximum of 4 500 000 warrants may be issued. The transfer of subscription warrants shall occur in accordance with the following principles.

The management team and other employees may each purchase a maximum of 500 000 subscription warrants. The Chief Executive Officer may acquire up to 1 500 000 subscription warrants. All purchases of subscription warrants shall be at a price equal to 50% of the market price at the date of the purchase. In connection with the transfer of the Subscription Warrants, the holders will enter into an agreement with the company that gives the company the right to buy back the subscription warrants at 50% of the market value if the holder leaves his/her employment with the Group, is dismissed, or wishes to utilize the subscription warrants in another manner than via their exercise for the subscription for shares. The exercise price of the subscription warrants

amounts to 150 percent of the volume-weighted average share price for the Company's shares during the period May 7, 2015 to May 17, 2015, however, not less than the quota value of the shares. All warrants may be exercised to subscribe for shares during the month of August in 2018.

The full details of each recommendation adopted by the Annual General Meeting can be downloaded from the Seamless website: www.seamless.se

Transactions with closely related parties

Seamless has not engaged in any transactions with closely related parties.

Other

Accounting Policies

This quarterly report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is consistent with Swedish law via the application of the Swedish Financial Reporting Board's Recommendation RFR 1, Supplementary Accounting Policies for Groups, and RFR 2, Accounting for Legal Entities, in regard to the parent company. The same accounting policies, definitions of key figures, and methods of computation have been applied as in the most recent annual report for both the Group and the Parent Company, unless otherwise noted below.

Significant risks and uncertainties in the business activities

Seamless' business operations are affected by a number of external factors where various risk factors may have an impact on the Company. These risk factors may result in an impact on the Company's ability to achieve its business objectives or targets. As no significant changes have occurred during the quarter regarding material risks and uncertainties. For further reference, please refer to the statement in the latest Annual Report on its pages 16-18.

This report contains forward looking statements that are based on Seamless' management's current expectations. Even though management believes that the expectations which are stated in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, future results could materially differ from those stated or implied in the forward-looking information due to, among other things, changes in economic, market and competitive conditions, changes in the regulatory environment and other political or governmental measures, fluctuations in exchange rates, and other factors.

Financial Information

Group report over total earnings SEK thousand	jan-mar 2015	jan-mar 2014	helår 2014
Net Sales	56 679	40 774	170 754
Other operating income	852	255	1 566
Material costs	-40 553	-32 127	-141 627
Other external costs	-21 368	-17 425	-84 844
Personnel costs	-21 111	-21 354	-92 125
Depreciation	-5 999	-3 457	-17 639
Other operating costs	-151	-111	-1 082
Operating result	-31 651	-33 445	-164 997
Financial net	-37	-78	482
Profit before tax	-31 688	-33 523	-164 515
Income tax	-107	-31	-277
Profit for the period	-31 795	-33 554	-164 792
OTHER COMPREHENSIVE INCOME			
Currency translation differences	74	80	609
Total comprehensive income attributable to parent company shareholders	-31 720	-33 474	-164 183

Consolidated Balance Sheet SEK thousand	Mar 31 2015	Mar 31 2014	Dec 31 2014
ASSETS			
Intangible assets	43 669	35 079	41 631
- of which goodwill	10 037	5 672	6 032
- of which capitalized development costs	32 492	28 060	34 362
- of which customer agreements	1 106	1 289	1 198
- of which other intangible assets	34	58	39
Tangible fixed assets	16 964	13 744	16 379
Deferred tax	27 811	27 757	27 787
Other long-term receivables	2 273	458	2 094
Inventories of finished goods	3 920	1 554	8 472
Accounts receivables	23 509	27 334	25 048
Other receivables	15 093	6 457	23 532
Prepaid expenses and accrued income	8 652	8 508	6 203
Cash and cash equivalents	63 371	260 320	105 273
Total assets	205 263	381 211	256 419
EQUITY AND LIABILITIES			
Equity	158 127	334 083	190 365
Appropriation	745	373	654
Other non-current liabilities	889	752	423
Deferred tax liability	338	292	339
Trade accounts payable	17 336	19 432	29 381
Current tax liability	255	163	232
Other current liabilities	10 396	11 665	15 827
Accrued expenses and deferred income	17 176	14 451	19 198
Total Equity and Liabilities	205 263	381 211	256 419

Consolidated statement of changes in equity, SEK thousand	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Balance at start of period	190 365	367 457	367 457
Comprehensive income for the period	-31 721	-33 474	-163 973
New share issue	-	-	-
Transaction costs	-	-	-
Conducted new share issue	-	-	-
Options program	-	100	100
Share repurchase	-517	-	-
As per end of the period	158 127	334 083	-13 009

Consolidated statement of cash flows, SEK thousand	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Cash flow from operations before changes in working capital	-26 237	-29 710	-147 348
Change in working capital	-5 422	-5 803	-1 383
Cash flow from operating activities	-31 659	-35 513	-148 731
Cash flow from investing activities	-10 955	-7 878	-35 740
Cash flow from financing activities	306	918	-13 628
Cash flow during the period	-42 308	-42 473	-198 099
Cash and cash equivalents at beginning of period	105 273	302 765	302 765
Exchange difference of cash and cash equivalents	406	28	607
Cash and cash equivalents at end of period	63 371	260 320	105 273

Key figures	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Return on equity	neg	neg	neg
Earnings per share, basic and diluted, SEK	-0,76	-0,80	-3,94
Operating income, SEK thousand	-31 651	-33 445	-164 997
Growth Net sales (compared to the same period last year)	39%	55%	6%
Operating margin	-56%	neg	neg
Average number of shares, basic and diluted	41 910 274	41 757 047	41 871 967
Liquidity	245%	662%	248%
Equity ratio	77%	88%	74%
Equity, SEK thousand	158 127	334 083	190 365
Equity per share, SEK	3,77	7,97	4,54
Number of employees at end of period	147	153	166

Seamless

Parent company income statement SEK thousand	Jan-March 2015	Jan-March 2014	Full year 2014
Net sales	1 966	4	18 452
Other operating income	-165	-	6 055
Operating expenses	-5 272	-6 296	-22 748
Operating result	-3 471	-6 292	1 759
Net financial items	-	-	-270 110
Earnings before tax	-3 471	-6 292	-268 351
Income tax	-	-	-
Income for the period	-3 471	-6 292	-268 351

Parent company balance sheet SEK thousand	March 31 2015	March 31 2014	December 31 2015
ASSETS			
Fixed assets	41 859	153 920	32 407
Total current assets	122 344	275 412	135 857
Total Assets	164 203	429 332	168 264
EQUITY AND LIABILITIES			
Equity	140 528	419 585	144 516
Long-term liabilities	-	-	-
Short-term liabilities	23 675	9 747	23 748
Total equity and liabilities	164 203	429 332	168 264
Pledged assets	-	-	-
Contingent liabilities	Inga	Inga	Inga



The Seamless share Jan-Mar 2015

Price trend	+37.1%	July 29, 2015	Quarterly Report – Q2
Ticker symbol	SEAM	November 11, 2015	Quarterly Report – Q3
Market Cap (per March 31)	SEK 658 million	February 17, 2016	Quarterly Report – Q4
Highest share price	18.60		
Lowest share price	6.65		
Total number of shares (March 31)	41,910,274		

About Seamless

Founded in 2001 with business operations in 26 countries, Seamless processes over 3.1 billion transactions annually via 525,000 active sales outlets. It is Seamless' proprietary transaction platform that forms the basis of SEQR. More than 4,600 merchants have chosen SEQR, and in Sweden today, one can shop at Hemköp, Willys, Tempo, McDonald's, Burger King, Ur&Penn, MyWay, Webhallen and Dormy, using SEQR. In 2013, SEQR was launched in Romania, and in the spring of 2014, in Belgium and Finland. In 2013, SEQR received recognition by winning in the "Best Mobile Money Deployment in Europe" category from the Mobile Money Global Awards. Seamless shares are traded on NASDAQ OMX Stockholm, under the ticker symbol SEAM. www.seamless.se

Seamless has offices in: Accra, Atlanta, Brussels, Bucharest, Calcutta, Helsinki, Lahore, Lisbon, Mumbai, Riga, Lodz, London and Stockholm.

The Seamless quarterly report for the period January – March 2015 has been approved for publication by the Board of Directors, by its decision on May 5, 2015. This financial report has not been reviewed by the Company's auditors.

Certification

The Board of Directors and the CEO for Seamless Distribution AB (publ) declare that the interim report gives a true and fair view of the Company and Group's business operations, financial position and financial results in terms of net profits/losses, and describes the principal risks and uncertainties that the Company, and the companies included in the Group, face.

Stockholm, Tuesday, May 05, 2015

Seamless Distribution AB (publ) Org. no. 556610 - 2660

All information is published on www.seamless.se immediately after public release.

Contact details

For further information, please contact:

Peter Fredell, CEO
Peter.Fredell@seamless.se
+46 8 564 878 00

Daniel Hilmgård, CFO
Daniel.Hilmgard@seamless.se
+46 8 564 878 00

Seamless Distribution AB (publ)
Box 6234, 102 34 Stockholm Corporate ID
number 556610-2660 info@seamless.se
www.seamless.se