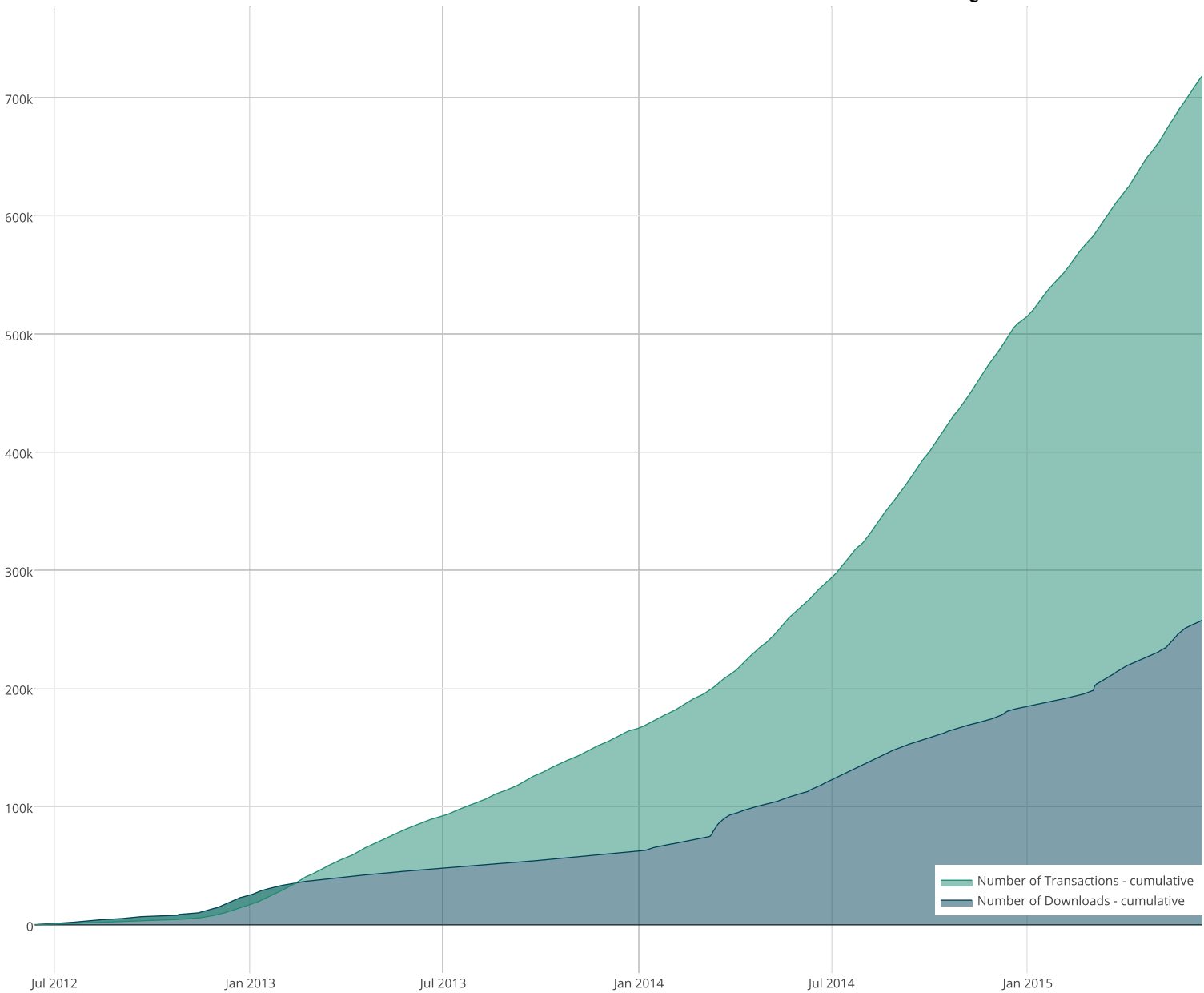


Seamless

QUARTERLY REPORT- Q2

APRIL - JUNE 2015

Cumulative Downloads and transactions worldwide for SEQR



QUARTERLY REPORT- Q2

APRIL – JUNE 2015

APRIL 1 – JUNE 30, 2015

• Net revenues	70,411 (44,104)
• Operating profit	-24,422 (-39,502)
• Operating margin	Neg (Neg)
• Profit/loss after tax	-24,501 (-39,631)
• Earnings per share	SEK -0.58 (-0.95)

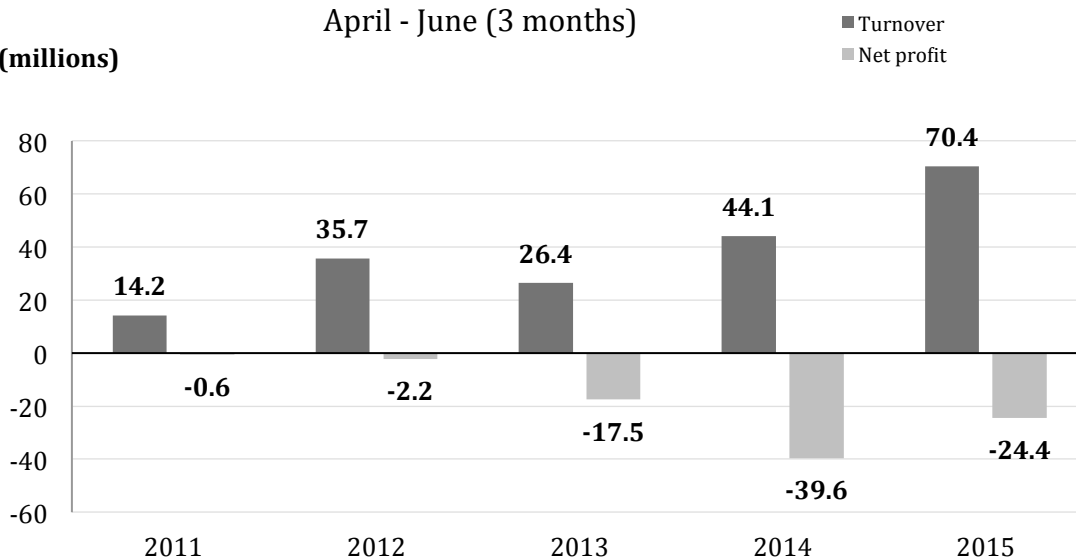
SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- SEQR launches MyShop – the service that allows everyone to start-up a mobile e-commerce shop. The new MyShop feature in the SEQR app provides all users their own shop with a simple, secure and free of charge payment solution. To start using the store, it is as simple as taking a picture with your mobile device of what you want to sell, writing a brief description, and then attaching a price tag. Then create an advertisement with the QR code which is automatically delivered to your e-mail. The ad can then be disseminated in any and every media, such as advertising sites, Facebook, your own blog, or Tictail, or even printed out and hung up in a stairwell or on a bulletin board. The buyer scans the QR code and makes the purchase without the need to enter either his address or payment details, since this is already registered in the SEQR app.
- SEQR is available in more than Colruyt, Okay, Bio-Planet, Cru, Dreamland, Dreambaby 500 stores as well as independent Spar stores. In autumn 2014, the Colruyt Group and SEQR began its cooperative efforts to work together. The first tests were made at selected e-commerce platforms and the cooperative efforts have now been expanded to include all physical stores.
- SEQR continues to take advantage of its strengths in e-commerce and during the quarter Instant Checkout was released, which allows shopping on mobile devices with as few steps as possible. Along with the e-commerce provider E37, the solution has been integrated in mobile E37's mobile-customized checkout, and SWEdala Outlet's online store is a pilot customer.
- SEQR goes live in Great Britain and the United States during the quarter. Earlier this year, SEQR began its expansion into the U.S. market. In the past few months, with Daniel Bessmert, general manager of SEQR in the United States at the forefront, we have invested in building up our organization in the U.S. and establishing long-term strategic relationships with partners and resellers. SEQR is now one of very few providers in the world able to offer mobile payment solutions to companies operating in the global market, making it easier for both the retailer and consumer. With SEQR, merchants obtain a secure and more cost-effective alternative to traditional payment options, and consumers are able to shop both online and in physical stores - all with one single solution.
- Seamless Vice President Ingrid Lindström will be leaving her position in autumn 2015. During the two years that Ingrid worked in the company, extensive development and structuring of work has been carried out in which Ingrid has played a prominent role and contributed in a decisive manner.

REVENUES AND PROFIT GROWTH

April - June (3 months)

SEK (millions)



Seamless

CEO's Comment

I am proud to announce that during the second quarter Seamless reports our highest quarterly revenue in a single quarter – 70 MSEK, which is an increase of 60% compared to same quarter 2014. All our three business divisions now show significant growth, after three years of heavy investment. We also see a rapid decrease in our losses – down 39% compared to the second quarter 2014 – due both to higher revenues and to lower costs.

The Transaction Switch division delivers a record result again with 23 MSEK in revenue and profit of 10 MSEK. This is an increase in profit of 326% compared to Q2 2014.

The Distribution division has a revenue of 45 MSEK, showing growth of 45% on Q2 2014. For the first time, this division shows profit, 2 MSEK. Transactions through the SEQR interface increased with 48% compared to Q2 2014. Revenue from SEQR is lagging the increase in transactions and is still flat compared to Q2 2014. The revenue lag is partly because we made a choice to forgo advertisement revenue during the quarter. Instead of selling our advertisement space, we advertised our own SEQR rewards program during the whole period. If we had not made this choice, we could have had approximately half a million SEK more in revenue for SEQR, which would have meant that SEQR also would have posted a strong quarter. Our plan is to revert back to selling the advertisement space in the middle of Q3. We expect growth in revenue for 2015 compared to 2014 for SEQR.



Overall, our revenue has increased from 44 MSEK in Q2 2014 to 70 MSEK in Q2 2015. This is the largest quarterly revenue that Seamless has ever reported and represents a growth of 60% compared to Q2 2014. Our losses have decreased significantly over the last two quarters from a peak of 51 MSEK in Q4 2014 to 24.5 MSEK in Q2 2015. Last year in Q2 2014, our losses were 40 MSEK, which means that we decreased our losses with 39% compared to Q2 2014 and with 52% from the peak loss in Q4 2014. This is a function of both a lower cost base and an increase in net revenue.

The SEQR solution was launched and went into live production in the US and the UK during the quarter. These countries represent a large potential market for SEQR and we are now building our merchant and user base there.

In the US, which has a different regulatory system compared to Europe, we need MTLs (money transfer license) to offer our full suite of products. Specifically our peer-to-peer (remittance) service. We have during the last year put considerable effort and investment into applying for MTLs which are necessary on a state by state basis. As I write this, we have received three MTLs, for Missouri, Iowa and Mississippi. We expect MTLs for the other states to be received one by one over the next twelve month period.

A crucial component for our future success lies in always having a superior solution. The product development in all divisions is continuing at a strong pace, and we now can leverage on the architecture that has been built. This means that we can add products and features at a faster tempo with less investment than could be done earlier. This is key for going forward since every new feature and product means that we add new potential income streams.

An example of this product development is in the SEQR business division, where we launched MyShop. This is a feature that lets any SEQR user create their own classified advertisement from within the SEQR app, with payment by SEQR built-in to the ad via a QR code. This solves a lot of problems that current classified ad channels have with payment logistics as well as with fraud and abuse. Maybe even more important is that MyShop is channel independent. Users can post this ad anywhere they want, whether on social media, on a classified ad site, or simply via emailing. This means that a MyShop ad can be displayed through any media such as Facebook, Pinterest, Tumblr or any of the existing classified channels such as Craigslist, Blocket, Ebay. With MyShop, everything becomes a classified ad channel.

Seamless

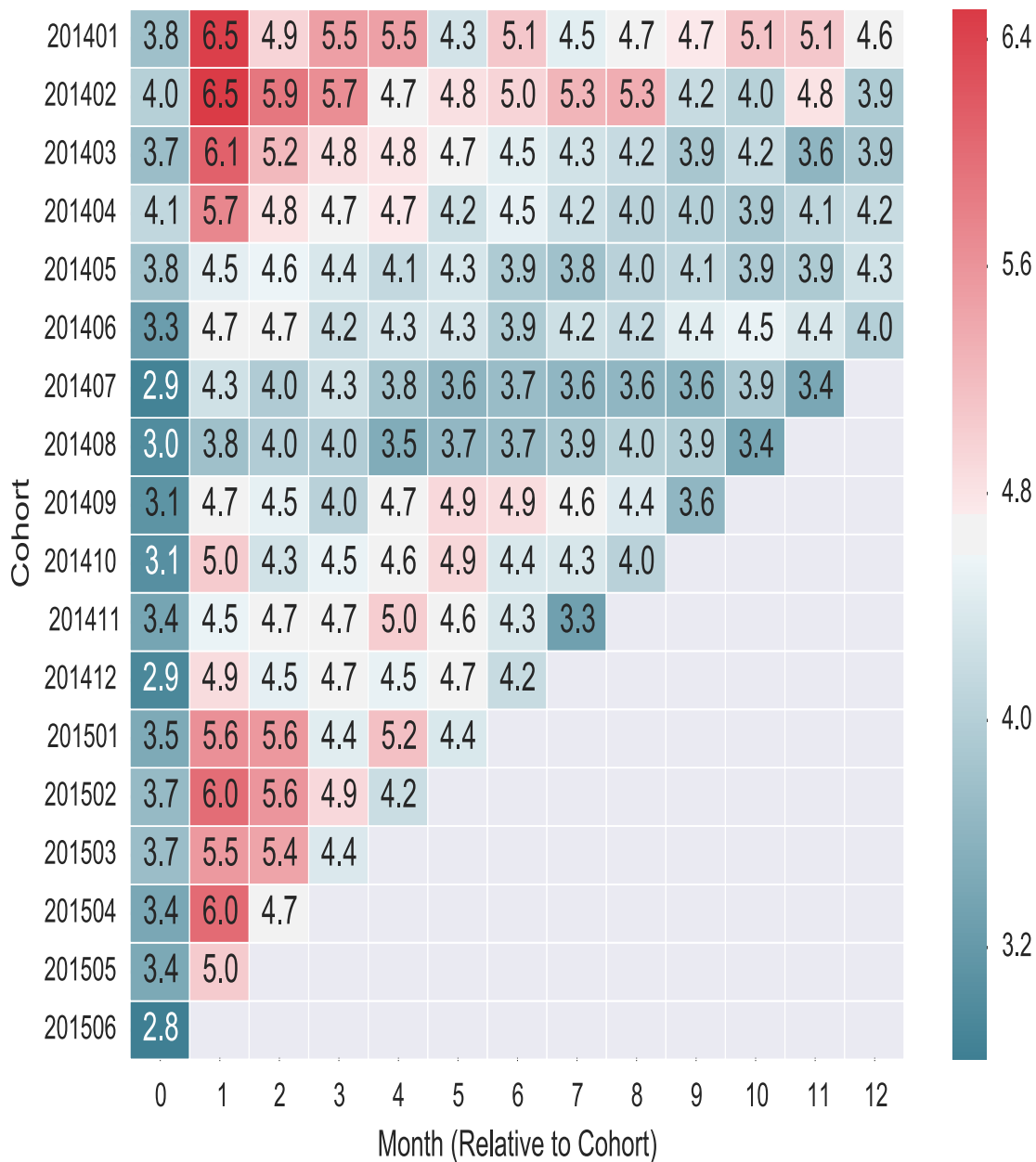
We also launched Instant Checkout which allows a SEQR user to buy from an online merchants with unprecedented speed and convenience, regardless of if the user is shopping through the mobile phone, PC, or any other electronic device. This increases conversion rate significantly for online merchants and therefore has a positive effect on the online merchants' revenue, above and beyond the savings merchants receive by using SEQR over other payment methods

When it comes to the financing of the company, we are constantly exploring the best solutions for our shareholders going forward. On this note, we launched a small convertible bond in a private placement the 17th of July. This issue should be seen as a limited part of a wider effort to fund the company for continued growth.

Peter Fredell
CEO

Graph shows when a cohort-group registered for SEQR, and how many transactions that cohort has made on average with SEQR every month.

Cohort Analysis - Average Transactions / User



Seamless

Consolidated

Revenues

Seamless' revenues increased during the First Quarter by 60 percent to SEK 70,411 thousand (44,104). The sales are distributed between the various business segments, with 33 percent (25) from the Transaction Switch business segment, 64 percent (71) from the Distribution business segment, and 3 percent (4) from the SEQR business segment.

Financial Results

- The consolidated operating loss amounted to SEK -24,422 thousand (-39,502) in the second quarter.
- Second quarter net losses from financial items amounted to SEK -38 thousand (-108).
- Earnings per share amounted to SEK -0.58 (-0.95) for the quarter.

Personnel

We had a total of 131 (160) employees at end 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 in a total amount of SEK 6,811 thousand (1,107). Product development costs have been capitalized at a value of SEK 5,126 thousand (5,514), while depreciation taken and amortization amounted to SEK -6,086 thousand (-4,138).

Cash flow and financial position

Cash flow from operating activities amounted to SEK -30,345 thousand (-27,822) for the second quarter. Bank deposits and cash equivalents at the end of the quarter amounted to SEK 21,019 thousand (224,807).

The Group has interest-bearing liabilities in the form of leases for hardware amounting to SEK -2,005 thousand (-3,152), divided between long-term debt of SEK -607 thousand (-1,231) and short-term debt of SEK -1,398 thousand (-1,921). 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 67 (84) percent. As announced in press releases and in the previous quarterly reports, savings measures have been implemented in the third and fourth quarter of 2014, which will result in an anticipated savings of approximately SEK 80 million on an annual basis. One of these savings measures has been to discontinue the Swedish part of the Seamless development department, which resulted in that about 30 people were not able to continue with the company. Additionally, Seamless has issued SEK 29 million of convertible debentures after the end of the period. The issue, which was fully subscribed, was sold to private and institutional investors, arranged by Evli Bank PLC, who acted as bookrunners for the deal. The successful completion of this issue gives Seamless an adequate working capital buffer. The board of directors of Seamless resolved to issue these bonds pursuant to the authorization granted at the latest annual general meeting of the company. The convertible loan amounts to a nominal value of not more than SEK 29 million and carries interest at an annual rate of seven (7) per cent. The convertible debentures have been subscribed at a value corresponding to 100 per cent of the nominal value and the conversion price is based on the VWAP of the Seamless share on 13 July 2015. The conversion price is SEK 8.55. The issue has been implemented with deviation from the shareholders' preferential rights. The reason for the deviation is that the company wants to have a working capital buffer. A private placement of convertible debentures has, at this point in time, been deemed to be the most favourable way to obtain such financing for the company. The convertible loan will mature 364 days after the date of issue, unless conversion or distribution has occurred prior to this date. The payment for the convertible debentures shall be made in connection with the subscription, or such later date as the board of directors resolves. The issue of convertible debentures will entail, upon full conversion, a dilution for the current shareholders of Seamless of approximately 7.49 per cent after full dilution.

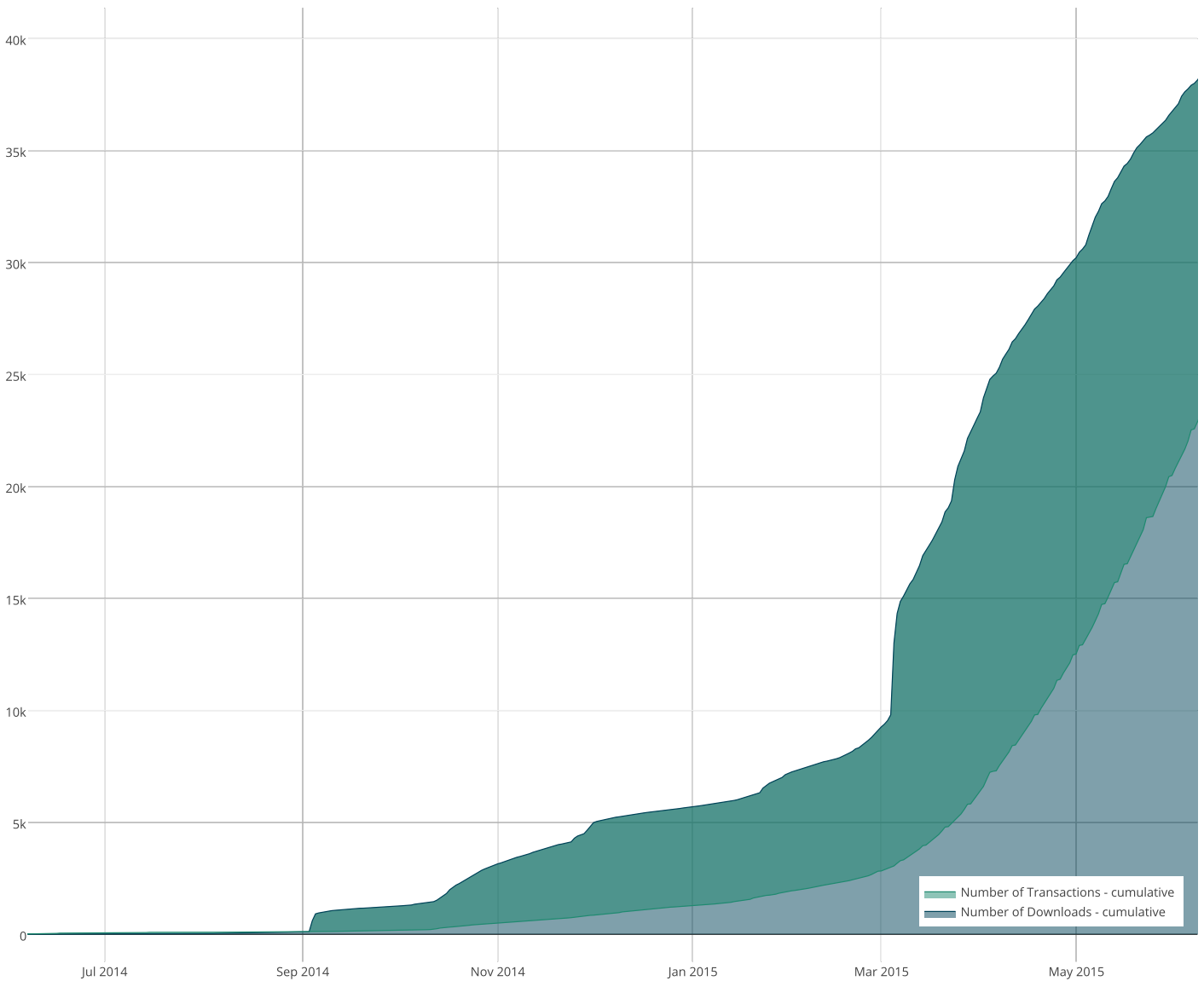
Seamless

Parent Company

The parent company's net sales for the quarter amounted to SEK 1,959 thousand (0) and net financial results amounted to a loss of SEK -2,231 thousand (-6,270). Net gains/losses in the parent company from financial items amounted to SEK 0 thousand (-52), and the parent company had bank deposits/cash on hand in the amount of SEK 736 thousand (198,758) at the close of the quarter. The parent company had 5 (5) employees at the close of the quarter.

SEQR Downloads and transactions in emerging market Belgium

Emerging Market: BE



Seamless

Business Segments

	Net Sales, SEK thousand					Growth, Net sales compared to same period previous year				
	Apr - Jun 2015	Apr - Jun 2014	Jan-June 2015	Jan-June 2014	Full Year 2014	April - June 2015	April - June 2014	Jan-June 2015	Jan-June 2014	Full Year 2014
Transaction Switch	23 186	10 936	38 814	20 080	38 415	112%	21%	93%	0%	neg
Distribution	45 419	31 396	84 589	61 098	124 571	45%	106%	38%	109%	11%
SEQR	1 806	1 772	3 686	3 700	7 768	2%	neg	0%	6%	neg
Non-distributable	-	-	-	-	-	-	-	-	-	-
Seamless Group	70 411	44 104	127 090	84 878	170 754	60%	67%	neg	61%	6%

	Operating result					Operating Margin				
	Apr - Jun 2015	Apr - Jun 2014	Jan - Jun 2015	Jan - Jun 2014	Full Year 2014	Apr - Jun 2015	Apr - Jun 2014	Jan - Jun 2015	Jan - Jun 2014	Full Year 2014
Transaction Switch	10 280	2 411	18 484	3 657	9 741	44%	22%	48%	18%	25%
Distribution	1 756	-1 885	-405	-4 095	-11 763	4%	neg	0%	neg	neg
SEQR	-35 504	-32 325	-64 337	-58 675	-135 555	neg	neg	neg	neg	neg
Non-distributable	-955	-7 702	-9 816	-13 833	-27 420	neg	neg	neg	neg	neg
Seamless Group	-24 422	-39 502	-56 073	-72 946	-164 997	neg	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 top-up of stored value cards and vouchers for top-up payments and other eProducts 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. In addition, the system 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 maintains a comfortable capacity in order to be able to handle further growth.

Market development in Q2 2015

The business segment continues to see successes with an even stronger quarter. Our new order intake continues to be very impressive, from which we will see increasing sales and extremely good profits.

Our investments in new products have rewarded us with an exceptionally good response from the market resulting in more business in our existing customer base. Firstly, we have gained the first

Seamless

large order of our new, innovative terminal that prints out stored value vouchers. The terminal which we call WinPos can be used in all places where mobile telephony works and does not require mobile data but rather communicates with USSD technology. Plus, we have sold our first installation of the non-stop system, which provides unmatched availability of the system via modern advanced clustering technology between two physically separate data centers.

A crucial success for our business transactions is that our customers expand their electronic distribution, and as a result we have received two license upgrade agreements from Africa during the quarter. Our customers also want to aggressively increase their sales in the electronic channel, which means we have been able to sell some of our existing functional extensions to additional customers. This strategy which bore fruit in Q1 continues to pay dividends in Q2.

In order to accommodate the growing interest in our products and services, we have further increased the presence of our sales capacity in the Middle East and Africa.

Market outlook

Recurring income provides a solid and continually growing base for our revenue stream each quarter as we renew existing, and add new, agreements for support and managed operations on an annual basis, where Seamless has management responsibility for the customer's platform.

Our new order intake continues to look good, which means we continue to increase our sales and our already excellent financial results.

Continual ongoing efforts in streamlined delivery and careful management of customer receivables will also ensure our good cash flow in the years ahead.

Our customers continue to show great confidence in us and we have several excellent references where we can easily show the added value achieved with investing in our products. This applies to 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 are very profitable for both our customers and us.

Our focus on and investment in product development means that we continue to launch innovative strategic products and features. The products increase our customers' capability of expanding their electronic channel, which in turn results in license expansions for us.

We continue a structured collection and analysis of our customers' successes, and will increase our efforts with workshops and by extension, consultancy activities focusing on strategic support to customers in order to broaden the service agreement business.

Consequently we will soon commence targeted marketing efforts in order to provide support to our growing corps of direct sellers and agents.

Seamless

Distribution

Operations in: Sia Lettel, SEQR Denmark and SEQR Nordics

Established in: 2011

Products include: Physical and electronic distribution of mobile TopUp/refill codes and other electronic products via retail outlets, banks and Online channels.

Background

eProducts

The concept eProducts encompasses a wide range of products such as mobile TopUp/refill codes, electronic gift cards, and prepaid debit cards. For merchants, eProducts 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, vouchers and stored value codes are delivered digitally, and the store does not incur any outlays until the product is sold.

Technology

Two distribution technologies are available globally for mobile TopUp.

- “eVoucher” – 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 TopUp” – 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 eVoucher is the dominant technology, while in other markets, Direct TopUp 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 their impact in 2015

During 2014, revenues rose by 11% compared with the previous year and in the third quarter of 2014, Seamless was able to announce a purchase agreement with Ingram Micro, whereby Seamless acquired Ingram Micro’s business operations with in electronic distribution.

The acquisition did not have an impact on sales or earnings during 2014. As customer migration didn’t start until Q1 2015, the big impact on earnings will begin to be seen from the second quarter.

The acquisition was 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 results of the acquisition will not be reported until Q3.

The previous assessment that the transaction 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 outlets that do not yet utilize SEQR, certain synergy effects are also expected to be seen in this business segment as we move forward.

Growth during Q2 - 2015

Sweden

The work during the second quarter has largely focused on the customer onboarding of customers from Ingram Micro Mobility. This has meant a continued increase in the number of contracted stores. Among the new customers, we would like to highlight Clas Ohlsson, Electra, Elgiganten, and Siba. In addition, transaction volume increased by over 50% compared with the corresponding quarter in 2014, thanks to the new customers added to our customer base.

Denmark

Our Danish subsidiary became operational in Q1 2015, and so far over 100 contracts have been signed with retailers. With the acquisition, Greenland has been added as a market and contracts have been signed with TelePost, a subsidiary of TeleGreenland for distribution of stored-value codes, and other electronic products.

Seamless

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 affect on revenues and earnings. This has 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.

During Q2, the transaction volume has increased by about 20% compared to Q1, attributable partly to seasonal variations.

Bank Top-up

The partnership with mobile carriers and banks in the Swedish market where Seamless ties together all mobile carriers and banks so that the consumer will be able to buy recharging of stored-value cards via the bank's channels (mobile banking, Internet banking, and telephone banking) has been expanded during the first quarter with the inclusion of Danske Bank. The integration with Danske Bank has now been completed and sales in the bank's channels have commenced.

Seamless

SEQR

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

Established in: 2012

Products include: Mobile Payments

It has been a very successful quarter for SEQR in which we continued to expand our geographic footprint, significantly grow our consumer and merchant base in existing markets and further develop our world leading technology making SEQR the most comprehensive mobile payments solution on the market today.

SEQR aims to be the world's most used mobile wallet. Having already established itself in Sweden, Finland, Romania, Belgium, Netherlands, Portugal, Spain, France, Germany and Italy, during the quarter the SEQR service was also launched in the US and the UK. This takes SEQR's geographic footprint to a total of 12 countries with an addressable population of over 600 million people. No other mobile payments solution in the world can boast of such reach.

Launching in the US in June is SEQR's most significant market launch to date. One of the key features of the SEQR proposition is that we can reduce the cost of transactions to merchants as we utilise Seamless' proprietary ERS 360 transaction switch, rather than established card processing 'rails'. By integrating into the U.S. ACH banking system, SEQR customers can attach any bank account to their SEQR wallet and make payments directly from that account whether in store, online or in app. In doing so SEQR are able to eliminate interchange and card processing fees paid by merchants.

US merchants pay amongst the highest credit card processing fees in the world with a weighted average of 2.15% at a total cost of almost \$40bn per year. As a result, the demand for SEQR's low cost mobile payments solution, prior to entering what will be the world's largest market for mobile payments, has been huge.

The SEQR USA team have worked tirelessly ahead of launch to establish key financial and technical partnerships in order to develop a market leading solution. The SEQR solution will first be deployed at merchant POS, through Shop on the Spot and through its Bill Pay functionality. In order to maximise the enormous revenue opportunity in the US, we will continue to invest in building a world class team across all disciplines including Sales, Marketing, Operations and Partnership Management.

Additionally, at the end of the quarter SEQR USA Inc. secured its first Money Transmitter Licence in the state of Missouri. This is another hugely significant step as MTLs will allow SEQR to enable its full range of services including SEQR peer to peer money transfer functionality. SEQR P2P works both nationally and internationally, allowing any SEQR users to transfer money instantly to other SEQR users irrespective of what country they are in. We anticipate that during the course of the next 12 months we will have successfully obtained MTLs for all other US states.

Following the launch of the US, at the end of June SEQR also launched in the UK. Much like the US, the UK launch is a very significant step in the development of SEQR. As well as being a market with 60 million potential customers, in partnership with Optimal Payments, the UK launch sees the first deployment of the SEQR Pre-paid account. Having a Pre-Paid proposition opens up new customer segments for SEQR including the youth and the underbanked segments, both of which are not currently well served by any mobile payments solution.

From launch in the UK, SEQR users are able to send money instantly to one another through the P2P functionality and purchase products from well-known brands through Shop on the Spot. The first merchants accepting SEQR as a payment method at retail point of sale will come on line in summer. Following its success in the UK, we will begin roll out of the SEQR Pre-Paid proposition to all other SEQR markets during the second half of the year.

In all markets where SEQR is already live, we have seen impressive growth through the quarter in the number of merchants and partners adopting the SEQR solution, whether they be physical merchants, ecommerce merchants, media partners or product suppliers.

Seamless

Notably in Belgium, Colruyt Group completed the roll out of SEQR across all of their brands to over 500 stores and their ecommerce sites leading to a near doubling of the number of SEQR users in Belgium during the quarter. As the only fully deployed, multi-channel and most successful mobile payments solution in Belgium, SEQR and Colruyt's progress has drawn heavy coverage from Belgium national television and print media. This in turn is driving increased demand for SEQR services from other retailers and partners in the Benelux region leading to a 20% growth across the quarter in number of merchants accepting SEQR. There is also an incredibly strong pipeline of merchants covering a number of retail verticals including supermarkets, petrol, parking and restaurants.

In Portugal, one of our more established SEQR markets having launched at the end of 2014, we have also seen an increase in merchant take up, with an impressive 92% increase in the number of merchants contracted to accept SEQR. This includes our first Parking and Petrol merchants in the country. Highlighting the breadth of the SEQR proposition we also contracted our first partner deploying Bill Pay functionality.

As well as continuing to grow the merchant base through new merchant partners such as Clas Ohlson, Jysk, Teksinet-Euronics, as well as hundreds of small and medium sized merchants, SEQR's home market of the Nordics continues to be our pioneering market. In May in Sweden we launched a new SEQR product – Instant Check Out – when SWEdala Outlet became the first merchant to offer the service. SEQR Instant Checkout, enables customers to check out on webshops and mobile devices instantly, without entering any payment or delivery details. As well as delivering a market leading consumer experience, SEQR Instant Checkout addresses a key merchant problem of basket abandonment in the e and m commerce channels. We anticipate that following this first launch, we will see huge demand for Instant Checkout from merchant in all markets in the second half of the year.

Following launch of SEQR with P2P and Shop on the Spot functionality earlier in the year, during June we also contracted our first physical merchants in Germany and France.

With ever increasing demand for the various elements of the SEQR proposition, in May we launched a new sales CRM system with salesforce.com to give us greater transparency and control over the SEQR sales pipeline. SEQR's version of salesforce.com is a single CRM system covering all SEQR markets and product types. Utilising salesforce.com will enable us to tightly manage the sales process, direct resources towards the highest value opportunities and speed up our sales conversion.

In line with our aggressive sales strategy we have during the course of the quarter employed additional sales resources to manage demand for the SEQR services in Spain, Italy and Germany.

Entering the second half of the year SEQR is now live in 12 markets with the most comprehensive mobile payments solution available anywhere in the world. For consumers, SEQR offers a simple, rewarding, secure and easy to use solution across all sales channels – instore, online, mobile. For merchants, SEQR now offers an omnichannel mobile payment solution that will simply make them better merchants – improving customer experience, increasing sales, reducing basket abandonment, lowering costs and increasing loyalty.

Almost all other mobile payment options, developed by some of the world's biggest financial and technology companies, simply provide another means of allowing a consumer to make a card payment. SEQR, as well as being a genuinely new payment type, adds real, tangible value to consumers and merchants everyday life.

This will be the key to success in mobile payments that is why we are bracing ourselves for exponential growth in consumer and merchant take up of the SEQR proposition during the remainder of 2015 and into 2016.

Significant events after the close of the reporting period

- One of Seamless' U.S. subsidiaries received our first license for payment services in the United States, known as a "Money Transmitter License," in the state of Missouri. During the past year, Seamless has been preparing and submitting applications to most of the states in the U.S. With the first licenses in place, the expectation is now that the remaining licenses will be approved within the next twelve months.
- Seamless issued SEK 29 million of convertible debentures. The issue, which was fully subscribed, was sold to private and institutional investors, arranged by Evli Bank PLC, who acted as bookrunners for the deal. The successful completion of this issue gives Seamless an adequate working capital buffer. The board of directors of Seamless resolved to issue these bonds pursuant to the authorization granted at the latest annual general meeting of the company. The convertible loan amounts to a nominal value of not more than SEK 29 million and carries interest at an annual rate of seven (7) per cent. The convertible debentures have been subscribed at a value corresponding to 100 per cent of the nominal value and the conversion price is based on the VWAP of the Seamless share on 13 July 2015. The conversion price is SEK 8.55. The issue has been implemented with deviation from the shareholders' preferential rights. The reason for the deviation is that the company wants to have a working capital buffer. A private placement of convertible debentures has, at this point in time, been deemed to be the most favourable way to obtain such financing for the company. The convertible loan will mature 364 days after the date of issue, unless conversion or distribution has occurred prior to this date. The payment for the convertible debentures shall be made in connection with the subscription, or such later date as the board of directors resolves. The issue of convertible debentures will entail, upon full conversion, a dilution for the current shareholders of Seamless of approximately 7.49 per cent after full dilution.

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.

Seamless

Financial Information

Group report over total earnings SEK thousand	apr-jun 2015	apr-jun 2014	jan-jun 2015	jan-jun 2014	Full- Year 2014
Net Sales	70 411	44 104	127 090	84 878	170 754
Other operating income	562	37	1 415	103	1 566
Material costs	-53 459	-37 349	-94 012	-69 475	-141 627
Other external costs	-15 822	-19 549	-37 189	-36 973	-84 844
Personnel costs	-19 874	-22 382	-40 985	-43 736	-92 125
Depreciation	-6 086	-4 138	-12 085	-7 596	-17 639
Other operating costs	-155	-224	-306	-147	-1 082
Operating result	-24 422	-39 502	-56 073	-72 946	-164 997
Financial net	-38	-108	-75	-185	482
Profit before tax	-24 461	-39 609	-56 148	-73 132	-164 515
Income tax	-41	-21	-148	-52	-276
Profit for the period	-24 501	-39 631	-56 296	-73 184	-164 792
OTHER COMPREHENSIVE INCOME					
Currency translation differences	345	239	419	318	609
Total comprehensive income attributable to parent company shareholders	-24 156	-39 392	-55 877	-72 866	-164 183

Consolidated Balance Sheet SEK thousand	Jun 30 2015	Jun 30 2014	Dec 31 2014
ASSETS			
Intangible assets	44 954	38 146	41 631
- of which goodwill	9 993	5 829	6 032
- of which capitalized development costs	32 698	31 003	34 362
- of which customer agreements	1 035	1 262	1 198
- of which other intangible assets	1 228	51	39
Tangible fixed assets	16 404	14 796	16 379
Deferred tax	27 809	27 760	27 787
Other long-term receivables	7 389	493	2 094
Inventories of finished goods	5 982	1 952	8 472
Accounts receivables	43 181	29 716	25 048
Other receivables	19 742	7 336	23 532
Prepaid expenses and accrued income	12 111	4 493	6 203
Cash and cash equivalents	21 019	224 807	105 273
Total assets	198 590	349 498	256 419
EQUITY AND LIABILITIES			
Equity	133 971	294 692	190 365
Appropriation	644	386	654
Other non-current liabilities	817	1 231	423
Deferred tax liability	339	305	339
Trade accounts payable	34 109	23 025	29 381
Current tax liability	363	591	232
Other current liabilities	4 265	6 156	15 827
Accrued expenses and deferred income	24 082	23 113	19 198
Total Equity and Liabilities	198 590	349 498	256 419

Consolidated statement of changes in equity, SEK thousand	apr-jun 2015	apr-jun 2014	jan-jun 2015	jan-jun 2014	Full-Year 2014
Balance at start of period	158 127	334 083	190 365	367 457	367 457
Comprehensive income for the period	-24 156	-39 392	-55 877	-72 866	-164 183
New share issue	-	-	-	-	-
Transaction costs	-	-	-	-	-
Conducted new share issue	-	-	-	-	-
Options program	-	-	-	-	100
Share repurchase	-	-	-517	100	-13 009
As per end of the period	133 971	294 691	133 971	294 691	190 365

Consolidated statement of cash flows, SEK thousand	apr-jun 2015	apr-jun 2014	jan-jun 2015	jan-jun 2014	Full Year 2014
Cash flow from operations before changes in working capital	-18 917	-35 312	-45 154	-65 022	-147 348
Change in working capital	-11 428	7 490	-16 850	1 687	-1 383
Cash flow from operating activities	-30 345	-27 822	-62 004	-63 335	-148 731
Cash flow from investing activities	-12 105	-7 356	-23 060	-15 234	-35 740
Cash flow from financing activities	-216	-377	90	541	-13 628
Cash flow during the period	-42 666	-35 555	-84 974	-78 028	-198 099
Cash and cash equivalents at beginning of period	63 371	260 320	105 273	302 766	302 765
Exchange difference of cash and cash equivalents	313	42	720	68	607
Cash and cash equivalents at end of period	21 019	224 807	21 019	224 807	105 273

Key figures	apr-jun 2015	apr-jun 2014	jan-jun 2015	jan-jun 2014	Full Year 2014
Return on equity	neg	neg	neg	neg	neg
Earnings per share, basic and diluted, SEK	-0,58	-0,95	-1,34	-1,75	-3,94
Operating income, SEK thousand	-24 422	-39 502	-56 073	-72 946	-164 997
Growth Net sales (compared to the same period last year)	60%	67%	50%	61%	6%
Operating margin	neg	neg	neg	neg	neg
Average number of shares, basic and diluted	41 910	41 910	41 910	41 833	41 871
Liquidity	274	274	274	661	967
Equity ratio	153%	504%	153%	504%	248%
Equity, SEK thousand	67%	84%	67%	84%	74%
Equity per share, SEK	133 971	294 692	133 971	294 692	190 365
Number of employees at end of period	3,20	7,03	3,20	7,03	4,54
	131	160	131	160	166

Parent company income statement	apr-jun	apr-jun	jan-jun	jan-jun	Full Year
SEK thousand	2015	2014	2015	2014	2014
Net sales	1 959	-	3 925	4	18 452
Other operating income	-304	-	-470	-	6 055
Operating expenses	-3 886	-6 218	-9 157	-12 514	-22 749
Operating result	-2 231	-6 218	-5 702	-12 509	1 759
Net financial items	-	-52	-	-53	-270 110
Earnings before tax	-2 231	-6 270	-5 702	-12 562	-268 351
Income tax	-	-	-	-	-
Income for the period	-2 231	-6 270	-5 702	-12 562	-268 351

Parent company balance sheet	Jun 30	Jun 30	December 31
SEK thousand	2015	2014	2014
ASSETS			
Fixed assets	94 869	166 974	32 407
Total current assets	63 841	263 660	135 857
Total Assets	158 710	430 634	168 264
EQUITY AND LIABILITIES			
Equity	138 297	413 315	144 516
Short-term liabilities	20 413	17 319	23 748
Total equity and liabilities	158 710	430 634	168 264
Pledged assets	-	-	-
Contingent liabilities	None	None	None

Seamless stock price – Apr-Jun 2015

Price trend	-46.6%
Ticker symbol	SEAM
Market Cap (per March 31)	SEK 334 million
Highest share price	18.60
Lowest share price	6.65
Total number of shares (Jun 30)	41,910,274

Upcoming financial reports

November 11, 2015	Quarterly Report – Q3
February 17, 2016	Quarterly Report – Q4
March 17, 2016	2015 Annual Report

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 April - June 2015 has been approved for publication by the Board of Directors, by its decision on Tuesday, July 28, 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, July 28, 2015

Hein Pretorius
Chairman of the Board of Directors

Kristin Berdan
Member of the Board

Omar Cordes
Member of the Board

Peter Fredell
Member of the Board
Chief Executive Officer

Robin Saunders
Member of the Board

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

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