

July 14, 2017

PRESS RELEASE

Seamless Distribution AB appoints new operating Management

Seamless Distribution AB (“Seamless”) is pleased to announce a number of measures that are aimed at achieving improved operational focus and also initiating a process that is expected to lead to a sharp improvement in profit and cash flow performance.

Over the past two and a half years, the value of Seamless shares has fallen by more than 90 %. Shareholders deserve a positive return on their investment. The appointment of a new CEO earlier this week was a first key step. Below we lay out the next steps.

Management would like to underline that the fundamental strategy of Seamless remains unchanged. The company possesses outstanding B2C and B2B mobile wallet and payment technologies. The company is also fortunate to have a considerable number of outstanding people, which will now be fully enabled to execute actions that focus on highest probability of success outcomes for our clients, shareholders and other key stakeholders.

The company is pleased to share details of the new operating Management team, who will work with and support Tomas Jalling as CEO:

James Connelley, Head of SEQR: The company is delighted to announce James as the new Head of SEQR. As one of the most experienced professionals within the European payments industry, James has demonstrated throughout his time with Seamless, as with his previous leadership roles at GE and Santander, that he not only is a thought leader, but commands wide respect inside the company, and also with key external stakeholders. He will lead the implementation of both B2C and B2B strategies within SEQR.

Lars Sandtorv, Head of MeaWallet: With more than 30 years experience within the IT industry, including a long period as senior Manager within IBM, Lars leads a fantastic group of IT professionals that already this year, are demonstrating traction in the B2B wallet solutions space. MeaWallet is currently the No4 provider of solutions in Europe, and the company believes that MeaWallet can deliver strong, profitable growth in the coming period, including B2B solutions that combine the best of SEQR and MeaWallet. Lars will work closely with James Connelley to deliver solutions that delight our clients, and also maximise profitable revenue opportunities.

Radoslaw Kozlowski, Head of Delivery: Radek is an outstanding IT professional, who is unanimously respected throughout Seamless, with more than a decade of experience delivering IT solutions on time, and on-budget. He and the teams he leads in Poland and Riga, will be tasked with supporting the growth of both SEQR and MeaWallet.

Martin N. Larsson, Head of Treasury/IR: Martin recently joined Seamless and has immediately made a hugely positive impact as regards to communication and on the crucial SDS spin-out process. His two decades of experience in Capital Markets in senior leadership positions will play a crucial role in helping the company rebuild investor trust, and also with other key financial stakeholders. He will work especially closely with the new CEO.

Martin Schedin, CFO/HR: Martin has more than two decades experience in exacting Finance roles, and is making highly important contributions to the company's efforts to maintain financial integrity, and reduce cash burn. He will have expanded responsibilities in these areas.

Geir Norlund, CIO: Geir is one of the most respected and experienced individuals within the European payment industry, with over 30 years success in delivering complex technical solutions. He has had long, successful tenures, including with IBM; he has already been and will continue to be a crucial contributor as we build partnerships in both B2B and B2C.

To be clear, any one of the new Management team could have been selected by the Board as new CEO. The Board chose Tomas Jalling for the period immediately ahead for the following key reasons:

1. The operating performance of Seamless has disappointed shareholders for a sustained period. The Board believes it is critical at this time, that our best operational people focus in the immediate period ahead on delivering operational excellence in their area of responsibility. Our senior Management structure will continue to evolve as the process of operational improvement evolves.
2. Tomas Jalling is highly respected by all members of the new Management team.
3. Tomas Jalling has a strong track record of delivery in his operational responsibilities, which themselves require a strong ability to produce win-win solutions for all our stakeholders. As with our previous CEO, Tomas has not had a long career as an IT specialist before assuming the role as Seamless CEO. However, his very skills, and track record of operational success, are the ones the company believes are most appropriate in the period immediately ahead.

Actions being taken to optimise our revenue and cost performance:

The CEO and senior management are working intensively to formulate the path forward, and will be in a position to share more information when Seamless announces Q2 results on 10th August 2017. Management can share initial actions that have been agreed:

1. **e-Products:** Recently this business area has consistently been the largest revenue generator within Seamless. Despite being blessed with highly competent operating professionals, e-Products has made losses for each of the past years, largely due to unfavourable market dynamics. This has to be urgently addressed. Management is taking immediate actions to withdraw from loss-making activities, and to optimise our product pricing. General overhead costs are also being addressed. Management is confident that with these measures, e-Products can become consistently profitable as of Q4 this year.
2. **SEQR:** Seamless has invested more than SEK 0.5bn of shareholder funds over the past five years in SEQR. New Management will focus our financial resources on products and markets that possess the highest probability of achieving sustained traction. Fixed

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overhead will be addressed, and resources re-allocated to maximising the revenue potential of our B2C proposition, as well as our B2B partnerships. This will be an iterative process, but we anticipate a considerable reduction in cash burn. This will be discussed in detail in our Q2 2017 results announcement.

3. **Poland/Riga:** Our development teams are at the heart of Seamless' ability to deliver on commitments we make to clients. Our anticipated growth in both SEQR and MeaWallet will ensure that there will be minimal impact from our review process, on these critical teams.

Seamless will give further guidance on H2 2017 expectations when Q2 2017 results are announced.

For further information, please contact:

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About Seamless

Seamless is one of the world's largest suppliers of payment systems for mobile phones. Founded in 2001 and active in 35 countries, Seamless handles more than 5.3 billion transactions annually through 675 000 active sales outlets. Seamless has three main business areas including the transaction switch, the technology provider for the distribution of e-products and the mobile payment platform Seqr. www.seamless.se.