

Seamless

Quarterly Report July 1 – September 30, 2013



Seamless

Third Quarter 2013 – Summary

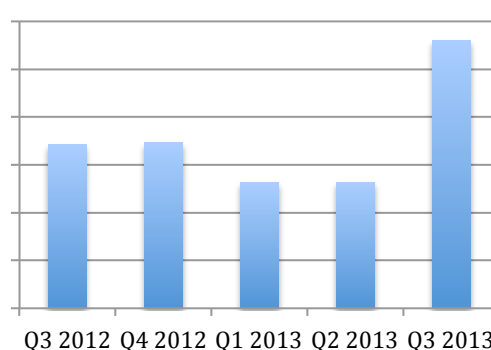
Activity levels remained high during the third quarter. Seamless mobile payment solution, SEQR, has benefited from great success and the rate of growth has remained high. More and more retail chains and outlets are connecting, which means that SEQR is now available all over Sweden through more than 3,500 stores that have chosen the Seamless solution. International expansion has also been initiated and will now be intensified. After the end of the quarter, Seamless raised an additional SEK 320 million, before issue costs, through a private placement, which is expected to be sufficient to meet the projected high rate of expansion and also achieve a positive cash flow.

Sales for Distribution and Transaction Switch business areas resulted in an increase of 57% for the quarter by comparison to the same period 2012. Revenues from the Transaction Switch operations are typically irregular and vary from quarter to quarter. Distribution sales for the third quarter increased sharply, up 94 percent, compared to the same quarter last year. The rapid increase is due to Seamless' establishment on the Swedish market by becoming a provider of prepaid refills at over 500 stores. Continuously, more and more merchants are connecting to Seamless and revenues from this business are expected to exceed SEK 100 million annually.

Third Quarter July 1 – September 30, 2013

Net Sales increased by 64% to	kSEK 56 095 (34 221)	50 000
Operating Profit amounted to	kSEK -23 016 (-8 300)	40 000
Operating margin remained negative	Neg (Neg)	30 000
Profit after tax	kSEK -19 539 (-6 571)	20 000
Earnings per share, basic and diluted	-0,59 SEK (-0,26)	10 000

Sales Q3 2012 – Q3 2013



Summary, SEK thousand	July-Sept 2013	July-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Full year 2012
Net Sales	56 095	34 221	108 904	99 594	134 337
Operating result	-23 016	-8 300	-66 192	-17 667	-29 894
Financial items, tax	3 476	1 729	10 359	4 081	6 149
Profit for the period	-19 539	-6 571	-55 833	-13 586	-23 745
Total assets	129 994	77 255	129 994	77 255	179 063
Earnings per share, basic and diluted*	-0,59	-0,26	-1,70	-0,56	-0,96
Operating margin	neg	neg	neg	neg	neg
Equity ratio	63%	51%	63%	51%	78%
Capitalized development costs	20 863	10 354	20 863	10 354	12 369
Depreciation	-2 572	-516	-6 460	-1 557	-2 112

* At the end of the period Seamless had two outstanding warrants programs whereof one of 1 000 000 warrants with an exercise December 15, 2013 - January 16, 2014 that are "in the money", and the other of 3 500 000 warrants with an exercise August 1, 2016 – August 31, 2016 that are "in the money". When the result is negative there is no dilutive effect from these warrants.

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CEO's Comments

Sustained high levels of activity characterized Seamless third quarter, especially for our mobile payment solution SEQR. We have continued to roll out SEQR at a very fast pace, winning new business and further developing our product. We are also very well positioned due to the substantial financing we recently finalized. Through a private placement we have added an additional SEK 320 million before issue costs. I am convinced that with this capital Seamless will be able to take advantage of SEQR's very strong market position. This includes utilizing the time window now open, meaning that SEQR is one of the world's best mobile payment solutions and the world is undergoing a paradigm shift to where we pay with our mobile phone rather than using a card.

I usually emphasize that one of the benefits of SEQR is that payment solutions can be implemented at very little cost and incredibly fast. This has led to SEQR being available all over Sweden. In total, 3500 stores have now chosen SEQR.



During the quarter, the rollout in Sweden continued at a very high pace. McDonald's, Burger King, Västtrafik, UR & Penn and Euronics now want customers to pay with SEQR because the cost is half as compared to when paying by card. During the quarter we added even Mekonomen as a customer. Common for the majority of these outlets is a high level of cost-consciousness, which played a significant role when choosing SEQR over other mobile payment solutions. The ability for these outlets to earn substantial income by cutting costs - and with virtually no investment - means that we get help in the effort to get consumers to start paying by use of their cell phones.

Then, it requires a considerable effort to get people to change a behavior. Once people try a couple of times, however, they realize that it is more convenient than paying by card. We are in a shift similar to the shift from paying by check to paying by card. Then, as now, it was thought that the change would take a very long time, or that we would always keep the checkbook with us. So the question is not if, but when we stop using cards. Our strategic agreement with Microsoft serves as an example. SEQR will be released for Windows 8 and Windows Phone, as well as integrated with Windows Phone Wallet. This is happening already in 2013 and is an acknowledgment of our solution and as an important step in becoming a global standard for mobile payments.

And in pace with the development of the SEQR solution, it's my belief that this transition is going faster. Not only is our solution the most secure, it is considerably easier than paying by card. Already today, receipts can be saved in the mobile and customer offerings are made available directly in the app. We have also taken another important step in that it is now possible to integrate loyalty programs in SEQR, thereby avoiding plastic cards and cards to be stamped. Instead everything is available in your phone.

During the quarter, SEQR was launched in Romania in partnership with Garanti Bank, which is also Turkey's largest bank. Currently over 200 stores have signed-on and more are connecting continuously. This type of market suits us perfectly. The country has a large number of smartphone users - about 3.5 million - while the use of credit cards is low (0.6 cards / person).

For international customers, savings are not only the halved card fees; savings are also the greatly reduced cash handling costs. In much of the world cash payments represent 50 to 75 percent of transactions, compared with 25 percent in Sweden. This is why in Romania - as in many other countries - banks are a driving force for the move to a more flexible and cost-effective solution like SEQR.

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Our ambition is to become an international player in mobile payments. This is strengthened in that we received authorization from the Swedish FSA to become a provider of international payments, known as remittance, which will open up another large market estimated at \$ 500 billion. We offer a competitive provision for international payments compared to banks and money transmitters like Western Union. The FSA's decision allows us to port the authorization to other EU countries.

Seamless other operations have also performed well. The Distribution business' establishment in the Swedish market, as of the third quarter, exceeded our expectations in terms of revenue. The sales trend for Distribution of approximately SEK 110-120 million, on an annualized basis, is thanks to Seamless rapidly gaining market share; this can be compared with the SEK 100 million annualized revenue we estimated for Sweden a quarter ago.

I expect that with the new share issue we will be able to achieve a positive cash flow. The share issue has been achieved through the issuance of 8 million new shares, resulting in a dilution of 19.5 percent. Shareholders can appreciate that the stock market showed great confidence in Seamless, not the least reflected in a rising share price - something that we at the company will do our utmost to manage in the best way.

The Group

Revenues

Seamless sales increased with 64 percent in the third quarter to SEK 56 095 (34 221) thousand. Revenues by business area were: Transactions switch with 19 (36) percent, Distribution with 76 (64) percent, and SEQR with 5 (0) percent. Previously the business area SEQR was included in business area Transaction Switch, but as of January 1, 2013 SEQR is recognized as a separate business.

Earnings

- Group operating profits amounted to SEK -23 016 (-8 300) thousand during the third quarter.
- Net financial items for the quarter amounted to SEK -210 (-472) thousand.
- Earnings per share amounted to SEK -0,59 (-0,26) for the quarter.

Employees

The number of employees was 137 (64) at the end of the period. In addition, Seamless has approximately 30 consultants primarily in Ghana and Pakistan.

Investments

During the quarter, investments were made at a value of SEK 3 754 (2 100) thousand. Product development costs have been capitalized at a value of SEK 3 426 (2 990) thousand, while depreciation was SEK -2 572 (-516) thousand.

Cash Flow and Financial Position

Cash flow from operating activities amounted to SEK -27 810 (-4 085) thousand for the third quarter. Cash and cash equivalents amounted to SEK 14 213 (14 116) thousand at the end of the quarter.

The Group has interest-bearing liabilities in the form of financial leasing of equipment amounting to SEK -3 494 (-446) thousand, divided accordingly into non-current liabilities of SEK -1 883 (-257) thousand and current liabilities of SEK -1 611 (-189) thousand. The Company has no interest-bearing liabilities to banks or other financial institutions.

In addition, the company has an outstanding liability to the sellers of Lettel. Otherwise, the Group has no borrowings.

After the end of the reporting period, Seamless completed a private placement of SEK 320 million through an accelerated book building process. Seamless issued 8 000 000 shares to Berenberg, a

Seamless

German multinational financial institution. The final subscription price, as determined by the accelerated book building process, amounted to SEK 40 per share, whereby Seamless receives SEK 320 000 000 before issue costs. The issue costs is expected to amount to approximately SEK 15,3 million. Berenberg intends to sell shares to selected qualified institutional investors. The company has financed itself through a private placement in order to take advantage of the strong growth potential, in particular for the mobile payment solution SEQR. Seamless has earlier announced its intentions to raise additional capital in order to maintain a high rate of expansion in the previous quarterly report and again in the press release dated August 23, 2013.

Parent Company

The Parent company's net sales for the quarter amounted to SEK -15 (12 290) thousand and net earnings amounted to SEK -5 497 (-6 369) thousand. Net financial income for the parent company was SEK 0 (-36) thousand and cash equivalents at the end of the quarter amounted to SEK 6 062 (12 735) thousand. The number of employees in the Parent company reached 4 (56) persons as of the end of the quarter.

Effective January 1, 2013, Seamless implemented an internal restructuring where the entire operations was moved from the Parent company, Seamless Distribution AB, to the wholly owned subsidiary Seamless Payments AB. The Parent company carries the costs for the Board, Executive management, and all costs associated with maintenance of the listing on the stock exchange. All other operations and related staff are reported, as of Q1 2013, in a separate company, whereby making comparative figures for the Parent company between previous years and this year less relevant. While for the Group as a whole the comparative figures from year-to-year have the same comparative relevance as previously.

The restructuring was purely strategic, enabling a more streamlined group, where it will be much simpler and clearer to monitor and report on the various product segments within the Seamless product portfolio, and to facilitate follow-up and comparisons between different geographical areas. Going forward, it will also be easier to establish subsidiaries, in any country globally.

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Business Area

	Net Sales, SEK thousand July-September		Growth, Net sales compared to same period previous year July-September		Earnings, SEK thousand July-September		Operating Margin July-September	
	2013	2012	2013	2012	2013	2012	2013	2012
Transactions Switch	10 913	12 203	-11%	36%	-19	-8 401	neg	neg
Distribution	42 676	22 018	94%	-	-3 758	101	neg	0,5%
SEQR	2 506	-	100%	-	-14 611	-	neg	-
Non-distributable	-	-	-	-	-4 629	-	-	-
Seamless Group	56 095	34 221	64%	36%	-23 016	-8 300	neg	neg

Transactions Switch

Operations: Seamless Payments AB

Established: 2001

Products include: E-TopUp, value-add services (VAS) and Managed Operations (MOPS)

Market development during the third quarter

During the quarter Seamless began work on a new development methodology that will enable the decentralization of development for Seamless' operator customers. In practice, this means that a large part of the development work that is currently done in-house can be outsourced to a third party. This allows for increased opportunity to take in orders and the ability to free up resources for other business areas when necessary.

Discussions were started with one of Seamless largest customers within this business area, MTN, on creating a unified platform, together with Seamless, to manage all countries where MTN operates. Currently, this is approximately ten countries. Long term, this would provide great benefits in terms of efficiency and easier planning in the development, operation and support. It would also allow all the various MTN countries to more quickly take advantage of new functionality that today are ordered specifically for each individual country.

Market Outlook

The breakthrough with the mobile operator group Globalcom, whereby Seamless will deliver its platform to Globalcom's interests in Benin, are part of the strategy to continue to approach mobile operator groups with operations in many countries. The synergies are clear and the opportunities to get a foothold in other markets will be both greater and easier to achieve. At the same time, competition in this market is fierce as the products included in the business area are largely standard, and something that most operators provide. Physical scratch codes are still prevalent in some markets but opportunities to gain market share in this segment are limited to price competitiveness with substantially lower prices, or a substantially differentiated offering. The Seamless offering, both to existing and new customers, is to provide over the same technical platform the possibility to deliver electronic prepaid refills as well as mobile payments using SEQR, along with international monetary transactions (Money Remittance).

Remittance can be described as a way for people to send money to relatives and friends in other countries. The market is currently divided into numerous smaller participants where Western Union is one of the more well known. Through the development of the Remittance module, Seamless opens for another large potential customer segment.

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Distribution

Operation: Sia Lettel, Seamless Payments AB

Established: 2011

Products include: Physical and electronic distribution of mobile TopUp/re-fill codes, and other electronic products via retail outlets, banks, and on-line channels.

eProducts includes a range of products such as mobile airtime, electronic gift cards and prepaid cash cards. Most of these products are gaining ground as they provide retail an opportunity to increase sales and consumer inflows without any investments, capital, inventory or products requiring retail space. Value codes are delivered digitally for the electronic distribution of products. This means that the value of the product is applied at the time of the consumer purchase. Retailers of eProducts have traditionally included outlets such as grocery stores, convenience stores and kiosks. The majority of Seamless sales and distribution of eProducts involves the electronic sale of prepaid cards.

Market development during the third quarter

There are significant sales volumes globally for prepaid cards and distribution of prepaid cards, although in mature markets there is evidence over the past few years of a clear downward trend. The reason for this negative trend is due to a number of factors, where a major factor is the increase in smartphone sales and cheaper mobile phone subscriptions. Despite this, in Sweden alone the total value of the market for prepaid cards is estimated at around SEK 4 billion per year.

Seamless has been a distributor since 2011, and the company entered the Swedish market as of the third quarter 2013. Annual sales were then estimated at approximately 100 million; however, sales have exceeded expectations and the current trend indicates annual sales of approximately 110-120 million.

There are two main sales techniques for the distribution of electronic prepaid cards.

- "eVoucher" – whereby the voucher, with a unique code, is distributed through the receipt printed from the vendor's card terminal.
- "Direct TopUp" – whereby the consumer gets their prepaid cards re-filled by providing their phone number and the desired amount. Instead of receiving a voucher, the consumer typically then receives an SMS confirmation that the prepaid card has been filled with the desired amount.

In some markets eVouchers are the dominant technology, while in other markets Direct TopUp is the preferred methodology. In mature markets both technologies are typically used in parallel as they meet different needs and address different consumer behaviors. Seamless offers both technologies.

After the end of the reporting period, Lettel's largest customer, Plus Punkts was declared insolvent. Plus Punkts accounts for about 30% of Lettel's turnover. As of the publication of this report, it is not yet clear whether Plus Punkts will continue or not. Therefore, a revaluation of goodwill relating to the acquisition of Lettel may possibly occur in the fourth quarter. Goodwill and customer contracts, accounted for in the balance sheet statement are all related to Lettel. Due to the insolvency of Plus Punkts an impairment test will be conducted during the fourth quarter which might result in a write down of goodwill as well as customer contracts.

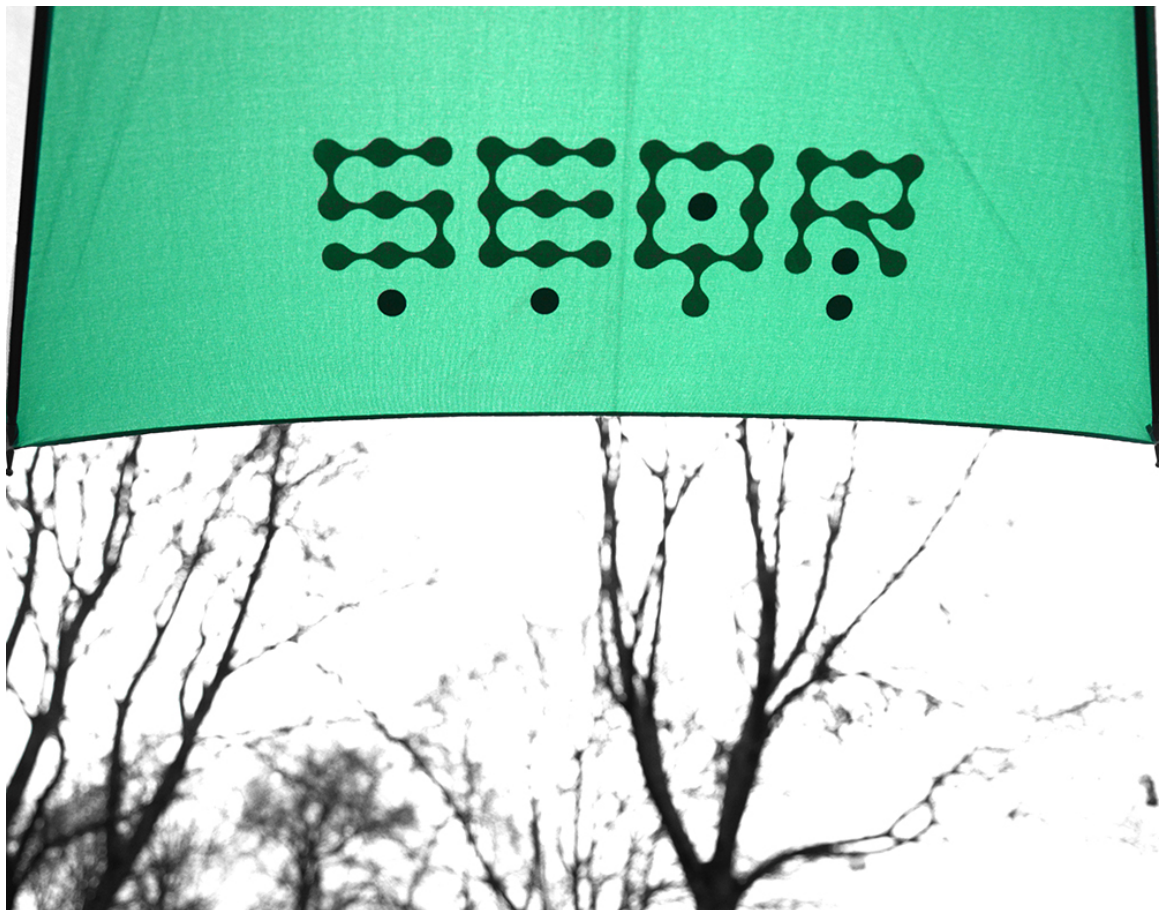
Market Outlook

Seamless is well positioned to continue to capture significant market share in the area of eProducts, both in Sweden and in other countries. The advantages Seamless has as a distributor over many competitors are:

- The proprietary technology platform ERS that handles both eVouchers and Direct TopUp.
- Longstanding experience with integration towards retailers, banks and mobile operators.
- Synergies between SEQR and the resale of eProducts. The same type of integration and platform is used regardless of the product.

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Market analysis and negotiations regarding acquisitions, joint ventures and private establishment continues in several markets, where Central Europe is the primary focus. The reason being that margins are high and that there is still a high degree of fragmentation of eProduct distribution in these markets.



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SEQR

Operations: Seamless Payments AB

Established: 2012

Products include: Mobile payments

Market development SEQR

Seamless mobile payment solution, SEQR, has been on the Swedish market for just over a year. In record time the service has gone from establishing itself in Axfood supermarket chains, to being Europe's largest mobile payment service designed for physical stores, and Sweden's most popular mobile wallet for use in-stores and online. One of the most important events in the third quarter is the first launch abroad with the introduction of SEQR in Romania together with Garanti Bank. Given all contracts signed thus far, there is a potential reach of 3 500 stores. Interest in SEQR is enormous because merchants quickly realize the economic benefits. Seamless now has significant focus on establishing payments through the use of SEQR an everyday behavior among users.

Sales for SEQR continue to increase, with an increase of 58% between the first and second quarters and 17% between the second and third quarters.

Expanded potential and continued rollout in Sweden

During the first quarter Seamless signed contracts with Mekonomen introducing SEQR in six stores. The rollout was launched in the third quarter where the partnership means that SEQR is now available in yet another industry and SEQR is one step closer to the goal of making the mobile wallet a given.

In July Seamless introduced its own distribution of prepaid cards on the Swedish market together with Axfood. This, together with Seamless' integrations with checkout registers to handle both mobile payments and other electronic products, creates opportunities for new partnerships linked to SEQR.

First international launch in cooperation with a bank

Efforts to launch SEQR internationally have continued intensively during the quarter. Significant is the commencement of the first major introduction of SEQR together with Garanti Bank in Romania, where, for the first time, users can connect SEQR directly to their bank account.

In parallel with proactively working with potential international markets during the quarter Seamless was regularly contacted by stakeholders from different sectors wanting to know more about SEQR. This is proof that SEQR is an attractive global service that can provide great value to merchants, users and banks.

The launch in Romania, together with Garanti Bank, took place on October 22 in Bucharest, where the potential is great in a market with 21.5 million people. The 3.5 million smartphone users are increasing rapidly and this together with a low use of credit cards opens up for a rapid acceptance of mobile payments in the Romanian market.

Two additional markets that are ready to launch SEQR are Norway and Finland. In late June, Seamless signed an agreement with Collector on a joint launch. Like in Sweden, users will be offered SEQR payment with Collectors billing account where all purchases are accumulated in a monthly invoice, free of charge.

Technical development in record time

The technical development of SEQR continues at the same pace as the service rollout. Among others, an agreement was signed with Microsoft to launch SEQR for Windows 8, Windows Phone, as well as for integration with Windows Phone Wallet. The implementation of SEQR in Microsoft's app store, Windows Store and Windows Phone Store will take place in all markets this year.

During the period Seamless received Payment Services authorization by the Swedish FSA. A large and attractive market opens up whereby SEQR users will eventually easily be able to send international payments via mobile phone.

Seamless

During the spring, Seamless signed an agreement with the car park company Q-Park. A pilot project was initiated during the quarter making it possible to pay for parking with SEQR. The pilot project will be conducted in selected car parks in and around Stockholm during the fall. SEQR has even enabled for value added services like the ability for the user to extend their parking time directly on their mobile without having to return to the parking facility; not to mention that this same service can be used in a wide variety of other payment situations and not only when parking. Moreover, it does not cost the user extra to pay for parking via SEQR.

Shortly after the end of the reporting period, Seamless signed the first collaboration agreement for the integration of loyalty programs in the SEQR-app together with Apoteksgruppen, the Swedish pharmacy chain – marking yet another industry that has realized the benefits of SEQR and its ability to integrate both marketing and other services in the app. For consumers, this means a step closer to the reality of a mobile wallet where all membership cards can be collected through the mobile phone. Customer points are registered automatically through SEQR-app in connection with payment.

With SEQR, it is possible to offer services and features that the physical wallet card will never be able to offer. Because the technology is based on QR codes, that can be applied on virtually anything, the possibilities are endless including physical advertising, TV advertising, e-commerce, customer loyalty program, bills and digital coupons, to name a few.

Market Outlook

The development and presence of mobile payments continues to increase, as shown by the consulting group Cap Gemini's World Payments Report 2013 presented at the end of September. Mobile payments are expected to increase by 62 percent and reach approximately 28.9 billion transactions in 2014. Specifically, mobile payments, outside the traditional banking system, are expected to increase by more than 80 percent to 3.8 billion. The report concludes that the banks' own operations will be challenged by an increasing number of new entrants providing payment services. They also note that successful innovation requires collaboration between banks, with customers and with new participants in payment services - Seamless clearly recognizes this trend. Merchants will slowly but surely be ready for the change. This is confirmed by, among others, the Swedish Trade Associations' Trade Barometer in April. It states that a majority of merchants believe that the ability to pay by mobile phone will be available in stores within three years, and eight out of ten said that they are interested in new technological payment solutions. Even research firm Gartner sees a sharp increase in the area of mobile payments and forecasted at the beginning of June this year that global mobile transactions will grow on average by 35 percent annually between 2012 and 2017.

Further, SEQR has a high profile within the industry. Clemens Wantschura, Development Manager and responsible for payment technology at Visita, the Swedish Hospitality Industry's trade and employer organization, says, among other things, the following regarding mobile payment solutions, "The key is to bypass the traditional payment channels, not just add on a new layer. There is only one company that offers that and therefore it is cheaper, I am thinking of SEQR (...) Mobile payments are more secure, they have verification at many steps".

More and more banks are starting to be receptive to SEQR and are beginning to realize the advantages of partnerships that can benefit multiple parties. This is particularly true in Europe where the predominance of innovative banks willing to challenge the system is more prevalent. Garanti Bank in Romania is an obvious example. As a result of the European Commission's new draft directive regarding electronic payments, new players outside the traditional banking system are provided even greater opportunity to compete in the area.

In order for mobile payments to really catch on with users requires that the current system is extremely reliable and easy to use so it becomes the preferred payment method for large groups of people, whereby making cash redundant. The newspaper Sydsvenskan in June wrote an article in connection with the report "This cashless society". The use of cash in Sweden decreases by about two percent per year and half of Swedes believe in a totally cashless Sweden in about 20 years.

Seamless

Although the new digital pay services are establishing themselves, the report shows that there is a large group who do not feel sufficiently familiar with how the new payment methods work. Seamless recognize this as our challenge, which is to get more people to start paying by SEQR. The more widespread our solution is in both Sweden and in the rest of the world, the stronger we are, and together with our partners we can execute activities to create and disseminate knowledge of SEQR and its benefits.

How SEQR Works

SEQR is the easiest payment system over mobile phone available. SEQR works equally well in physical store, such as the grocery store and a restaurant, as when you shop online, pay parking lot fees, or if you want to send money, at no charge, to someone's private bank account. Additionally, SEQR can be integrated with, for example, customer loyalty programs and targeted customer offerings directly in the app. SEQR is free to use and it is simpler, more secure and faster to pay with by comparison with cards and cash.

Users download the SEQR-app to their smartphone and sign-up easily directly in the app. A simplified credit application and a free invoice account are linked to the app. To make purchases users scan, with the help of the app, a QR code that is linked to the merchant's checkout register; then the user, with use of a personal PIN code, approves the payment. The receipt is then sent to the phone and saved digitally together with other receipts. At the end of the month, an itemized invoice listing all SEQR payments is sent by post.

In addition to QR codes, SEQR also supports NFC technology known as Near Field Communication. Users who have a mobile phone equipped for NFC can choose this as their payment method rather than scan the QR code.

When you pay with SEQR no sensitive information is transmitted, such as card or social security numbers, between the mobile and the merchant checkout register. This means that no third party is in direct contact with the SEQR account making it safer to pay with SEQR than with cards and cash. Unlike cards, SEQR has no magnetic strip or card number that can be abused without physical presence of the cell phone and the personal pin code. The SEQR app, which is downloaded to the phone, is fixed to each phone through the user registration and cannot be copied to any other phone. The payment is also secured through an encrypted connection with SEQR's own transaction system and customer acceptance is made with the personal pin code.

The SEQR technology means retailers forego making investments in any expensive hardware or making cumbersome installations to receive SEQR payments. In addition, the merchant can save substantially through the 50 percent lower transaction costs compared to traditional card payments. SEQR bypasses the traditional card payment systems given SEQR has its own Seamless developed transaction switch. Further, the customer is not required to be a customer of any specific provider or bank.

Seamless offers smaller merchants SEQR Mobile Checkout that allows, for example carpenters, market merchants or cafes to use their smartphone, tablet or computer to securely and conveniently accept payments via SEQR. This is an easy option to avoid cash transactions without the investment in an expensive card terminal.

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Significant events during the period

The following significant events occurred during the period:

- Seamless signs an agreement with Microsoft to develop SEQR for Windows 8, Windows Phone, in addition to the integration of SEQR with Windows Phone Wallet. Integration with Windows Phone Wallet opens up for new possibilities for both payments and added value services such as discounts, loyalty programs, purchase history, and integration with the stores own apps.
- Seamless receives Payment Services authorization from the Swedish FSA. The authorization is for Seamless Remittance AB, a Seamless company, which in the future intends to offer payment services such as sending money internationally. The FSA's approval also allows for Seamless to port authorization to other EU countries.
- Seamless Group Management is streamlined, whereby Emil Wikström, Lars Sjölund, Olivera Andersson, Martin Wingert, Michael Malmquist and Mikael Signarsson will leave Group management. Following the change, Seamless Group management is comprised of:
 - Peter Fredell, CEO
 - Daniel Hilmgård, vice VD / CFO
 - Tommy Eriksson, COO
 - Bogdan Sacuiu, CSO
 - Anders Forssten, CMO

Events after the reporting period

- Garanti Bank in Romania launches SEQR to the public in October. This means that residents of Romania can link their bank account at Garanti Bank to SEQR and start paying with mobile phones in stores and online. About 200 shops and restaurants have signed an agreement with SEQR in Romania, including The Elmec Network where stores such as Nike, Calvin Klein, Converse and Folli Follie are included. Thirty retail outlets were already live in Bucharest at the launch, including Subway Upground, shoe chain Bata, For Family network, AVE Hotels and Bier House 67.
- Seamless completed a private placement of SEK 320 million through an accelerated book building process. Seamless issued 8 000 000 shares to Berenberg, a German multinational financial institution. The final subscription price, as determined by the accelerated book building process, amounted to SEK 40 per share, whereby Seamless receives SEK 320 000 000 before issue costs. The issue costs is expected to amount to approximately SEK 15,3 million. Berenberg intends to sell shares to selected qualified institutional investors.
- Lettels largest customer, Plus Punkts was declared insolvent. Plus Punkts accounts for about 30% of Lettels turnover. As of the publication of this report, it is not yet clear whether Plus Punkts will continue or not. Therefore, a revaluation of goodwill relating to the acquisition of Lettel may possibly occur in the fourth quarter.
- On October 29, 2013 Accumulate AB filed a lawsuit in the Stockholm District Court against Seamless for patent infringement. Accumulate's claim call for Seamless to terminate usage and sale of the mobile payment solution SEQR. Seamless rejects any claim of patent infringement as unfounded. Seamless position is based on a thorough analysis of Accumulate's patent and its scope.

Transactions with related parties

Seamless had no transactions with related parties.

Other

Accounting principles

This report is prepared in accordance with IAS 34, Interim Financial Reporting, which is consistent with Swedish law through the application of the Financial Reporting Board's recommendation RFR 1,

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Supplementary Accounting for the group and RFR 2 Accounting for Legal Entities in regard to the Parent company. The same accounting principles, definitions of key ratios, 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

Seamless operations are affected by a number of external factors that can affect its business. These risks may impact the Company's ability to achieve business goals. No significant changes occurred during the quarter regarding significant risks and uncertainties; please refer to the report in the most recent Annual Report, pages 15-17.

This report contains forward-looking information based on management's current expectations. Although management believes that these expectations reflected in such forward-looking statements are reasonable, no guarantee can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking information due to, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other governmental actions, fluctuations in exchange rates, and other factors.



Seamless

Group report over total earnings SEK thousand	July-Sept 2013	July-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Full year 2012
Net Sales	56 095	34 221	108 904	99 594	134 337
Other operating income	69	19	996	28	43
Material costs	-46 392	-21 538	-76 350	-63 701	-83 202
Other external costs	-12 940	-12 821	-43 292	-30 092	-45 432
Personnel costs	-15 909	-6 850	-49 502	-21 470	-33 317
Depreciation	-2 572	-516	-6 460	-1 557	-2 112
Other operating costs	-1 367	-815	-488	-469	-211
Operating result	-23 016	-8 300	-66 192	-17 667	-29 894
Financial net	-210	-472	-277	-578	-512
Profit before tax	-23 226	-8 772	-66 469	-18 245	-30 406
Income tax	3 687	2 201	10 636	4 659	6 661
Profit for the period	-19 539	-6 571	-55 833	-13 586	-23 745
Other comprehensive income					
Currency translation differences	-121	-932	-286	-1 225	-1 033
Total comprehensive income attributable to parent company shareholders	-19 660	-7 503	-56 119	-14 811	-24 778

Consolidated Balance Sheet SEK thousand	Sept 30 2013	Sept 30 2012	Dec 31 2012
ASSETS			
Intangible assets	30 453	19 870	22 137
- of which goodwill	7 649	7 420	7 653
- of which capitalized development costs	20 863	10 354	12 369
- of which customer agreements	1 932	2 096	2 115
- of which other intangible assets	9	-	-
Tangible fixed assets	13 267	993	2 761
Deferred tax	22 956	10 268	12 225
Other long-term receivables	11	-	-
Inventories of finished goods	2 105	1 533	1 807
Accounts receivables	32 937	20 250	17 767
Other receivables	7 149	4 579	102 905
Prepaid expenses and accrued income	6 903	5 646	5 457
Cash and cash equivalents	14 213	14 116	14 004
Total assets	129 994	77 255	179 063
EQUITY AND LIABILITIES			
Equity	82 381	39 406	137 110
Other non-current liabilities	2014	5 513	7 077
Deferred tax liability	328	362	342
Trade accounts payable	18 150	18 058	17 185
Current tax liability	351	180	115
Other current liabilities	10 267	2 724	5 474
Accrued expenses and deferred income	16 503	11 013	11 760
Total Equity and Liabilities	129 994	77 255	179 063

Consolidated statement of changes in equity, SEK thousand	July-Sept 2013	July-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Full year 2012
Balance at start of period	100 652	37 303	137 110	42 359	42 359
Comprehensive income for the period	-19 660	-7 503	-56 119	-14 811	-24 778
New share issue	-	9 606	-	9 606	9 606
Transaction costs	-	-	-	-	-4 809
Conducted new share issue	-	-	-	-	112 480
Options program	1 389	-	1 389	2 252	2 252
As per end of the period	82 381	39 406	82 381	39 406	137 110

Consolidated statement of cash flows, SEK thousand	July-Sept 2013	July-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Full year 2012
Cash flow from operations before changes in working capital	-22 022	-9 188	-59 521	-16 745	-28 202
Change in working capital	-5 788	5 103	-14 093	2 877	23 302
Cash flow from operating activities	-27 810	-4 085	-73 614	-13 868	-4 900
Cash flow from investing activities	-3 754	-2 100	-25 282	-7 621	-12 168
Cash flow from financing activities	1 685	9 565	99 105	27 047	22 514
Cash flow during the period	-29 879	3 380	209	5 558	5 446
Cash and cash equivalents at beginning of period	44 092	10 737	14 004	8 558	8 558
Cash and cash equivalents at end of period	14 213	14 116	14 213	14 116	14 004

Key figures	July-Sept 2013	July-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Full year 2012
Return on equity	neg	neg	neg	neg	neg
Earnings per share, basic and diluted, SEK	-0,59	-0,26	-1,70	-0,56	-0,96
Operating income, SEK thousand	-23 016	-8 300	-66 192	-17 667	-29 894
Growth Net sales (compared to the same period last year)	64%	280%	9%	217%	124%
Operating margin	neg	neg	neg	neg	neg
Average number of shares, basic and diluted	33 048 374	25 167 295	32 773 249	24 308 128	24 636 097
Liquidity	135%	139%	135%	139%	406%
Equity ratio	63%	51%	63%	51%	77%
Equity, SEK thousand	82 381	39 406	82 381	39 406	137 110
Equity per share, SEK	2,49	1,54	2,49	1,54	4,15
Number of employees at end of period	137	64	137	64	88

Seamless

Parent company income statement SEK thousand	July-Sept 2013	July-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Full year 2012
Net sales	-15	12 290	-17	36 694	52 035
Other operating income	7	18	7	20	19
Operating expenses	-5 489	-20 883	-16 365	-54 683	-81 965
Operating result	-5 497	-8 575	-16 375	-17 696	-29 911
Net financial items	0	-36	-17	-122	-75
Earnings before tax	-5 497	-8 611	-16 392	-18 091	-29 986
Income tax	-	2 243	-	4 695	6 652
Income for the period	-5 497	-6 368	-16 392	-13 396	-23 334

Parent company balance sheet SEK thousand	Sept 30 2013	Sept 30 2012	Dec 31 2012
ASSETS			
Fixed assets	68 341	34 840	40 273
Total current assets	65 683	30 919	131 113
Total Assets	134 024	65 759	171 386
EQUITY AND LIABILITIES			
Equity	123 645	40 916	138 648
Long-term liabilities	0	5 000	5 705
Short-term liabilities	10 379	19 843	27 033
Total equity and liabilities	134 024	65 759	171 386
Pledged assets	-	6 000	6000
Contingent liabilities	none	none	none



Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 Januari 2013 to 30 September 2013 for Seamless Distribution AB (Publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm 13 November 2013

Öhrlings PricewaterhouseCoopers AB

Niklas Renström

Authorised Public Accountant

Seamless

Seamless Share Jan-Sept 2013

Share price performance	44,3%
Short name	SEAM
Market Cap (Sept 30)	796 MSEK
Highest share price	26.00
Lowest share price	17.30
Total number of shares (Sept 30)	33,048,374

Upcoming Events

February 20, 2014	Fourth Quarter report
March 14, 2014	Annual Report 2013
April 8, 2014	Annual General Meeting, Stockholm
May 6, 2014	First Quarter 2014 report

About Seamless

Seamless specializes in solutions for payment systems for mobile phones, such as transfer of money between mobile phones (Mobile Money) and cash card re-fills. The Seamless transaction platform ERS 360 processes annually more than 3.1 billion transactions worldwide in over 525,000 retail outlets. Seamless has deployed cash card re-fill solutions and mobile commerce solutions to more than 40 operators in 26 countries on four continents. Seamless SEQR solution for mobile payments in-stores and on-line is patent pending with a total of 41 different patent criteria. Seamless was founded in 2001 and its shares are traded on the NASDAQ OMX Stockholm since June 13, 2012, ticker symbol SEAM. Seamless has offices in: Accra, Calcutta, Lahore, Mumbai, Riga, Lodz, London and Stockholm.

The Board has approved seamless interim report for the period July-September 2013 for publication on 12 November 2013. This report has been subject to review by the auditors.

Certification

The Board and the CEO for Seamless Distribution AB (publ) declare that the interim report gives a true and fair view of the company's and the Group's financial position and results and describes the principal risks and uncertainties that the Company and the companies included in the Group face.

Stockholm, November 12, 2013

Seamless Distribution AB (publ) org.nr 556610 - 2660

Michael Sundin
Chairman of the Board

Martin Börressen
Board Member

Omar Cordes
Board Member

Peter Fredell
Board Member / Chief
Executive Officer

Robin Saunders
Board Member

All information is published on www.seamless.se directly following the public release.



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