



Interim Report

January – March 2023



The launch of the leading BNPL SaaS platform establishes Sileon as an international Tech supplier in a strongly growing BNPL market

Sileon is focusing further to meet the increasing demand to quickly and cost-effectively offer BNPL to existing credit and debit cards. The opportunity for new BNPL SaaS customers exists already in the second quarter.

Significant events in the first quarter

- Sileon's SaaS-based BNPL platform went live on January 16
- OKQ8 Bank launched BNPL offer with Sileon's platform on March 9

Significant events after the end of the period

- Sileon entered partnership with Provenir on April 28

	Jan - Mar		LTM	Full-year
	2023	2022		2022
Operating income, SEK M	15.2	14.9	68.6	68.3
EBITDA, SEK M	-5.6	-4.5	-12.0	-10.8
EBIT, SEK M	-10.0	-8.8	-30.6	-29.3
Loss for the period, SEK M	-10.9	-9.6	-33.5	-32.1
Loss per share, SEK	-0.32	-0.57		-1.24
Loss per share after dilution, SEK*	-0.32	-0.57		-1.24

*) The exercise price of outstanding options either exceeds the average share price or falls within the exercise limit rules, resulting in unchanged loss per share before and after any dilution

SEK **15.2 M**
Operating income

SEK **-5.6 M**
EBITDA



CEO letter

Sileon focuses - BNPL for debit and credit cards

BNPL has strong international growth and largely at the expense of credit cards. This is a well-known problem that most card issuers have noticed. In order not to lose further market shares and at the same time meet the younger generations' expectations of flexible and digital credit solutions, banks and other card issuers need to add BNPL options to their existing cards. Sileon is now focusing product and offering to meet card issuers' increasing demand to quickly and cost-effectively offer BNPL to their existing credit and debit cards. Integration of Sileon's BNPL functionality is in this context simple, card issuers can through Sileon's BNPL platform get BNPL functionality to existing cards within 6-8 weeks.

Sileon's leading BNPL platform now launched

During the first quarter of the year, Sileon's BNPL SaaS platform was launched, an important milestone that establishes Sileon as an international Tech supplier in the strongly growing BNPL market. Optional, complementary Solution modules for the platform enable Sileon to offer a comprehensive solution for BNPL as a Service. Given Sileon's completely SaaS-based platform, the work with Solutions is going faster than expected and Solution modules will be launched step by step in 2023, starting already in the second quarter. During April, an agreement was signed with the leading supplier in risk and fraud, Provenir. The collaboration with Provenir is our first agreement in the area of Solutions, which gives us the opportunity to offer risk assessment, Fraud, KYC/ID validation, Decisioning, and AML/PEP as Solution modules in Europe. Everything available to the customer in one and the same integration with Sileon.

Increased cost efficiency and continuity

In order to achieve a higher degree of continuity and cost efficiency, we opened a new tech hub in Gävle at the beginning of 2023. During the first quarter, the result is burdened by the cost of both development consultants and the strategically important scaling up of newly hired developers in Gävle. The venture has already proved successful after a short time, and during the month of May,

Stockholm-based development consultants are being replaced in favor of employed developers in Gävle. As of May, Sileon thus has a more efficient and long-term sustainable cost picture for the company's continued BNPL SaaS development.

The pipeline of SaaS customers is growing and OKQ8 is now rolling out on a larger scale

OKQ8 Bank went live with Sileon's BNPL in a test phase on a handful of stations in the first quarter. Sileon's technology has been received well, which means that another 150 stations will go live already at the beginning of May. The possibility of partial payments and invoices is applicable regardless of whether it concerns refueling the car, changing tires or shopping in a store. Further rollout of BNPL functionality in the OKQ8 app and remaining stations will take place continuously during the second half of the year. Transactions at OKQ8 are expected in significant volume and thus revenues during the latter quarters of the year.

The clarity of Sileon's offer and not least investment in marketing and sales have resulted in increased volume and quality of the pipeline. Sileon's BNPL technology is international, which is also reflected in our pipeline. Although the possibility of a new BNPL SaaS agreement already exists in the second quarter, revenue from the company's strategic BNPL SaaS business is expected the latter part of 2023. The first quarter is a period without revenue from our OKQ8 business and there phasing out of non-strategic customer groups in favor of focus on BNPL SaaS results in lower transaction-based revenue than the same period in 2022.

With our leading BNPL SaaS platform now in place, we continue to deliver according to our strategic plan.

We enable your BNPL

David Larsson
May 2023



Financial position

The figures refer to the Group unless otherwise stated. Figures in parentheses refer to the corresponding period of 2022 unless otherwise stated.

Income, costs and results

January 1– March 31, 2023

Consolidated income amounted to SEK 15.2 M (14.9). Income was mainly derived from transaction-based revenue of SEK 9.9 M (11.5). The transaction-based revenue refers to revenue streams from the BNPL business area, where Sileon provides invoice processing and factoring services. Sileon's other business area, Other, is the company's card and Swish payment service. The BNPL business area delivered income of SEK 7.9 M (9.0). During the period, Other generated income of SEK 2.0 M (2.5).

Other income amounted to SEK 5.3 M (3.4). Other income mainly comprises income of SEK 5.3 M (3.4) from Visa, which the company uses to make the BNPL platform's technology available to Visa's customers.

During the period, the Group's financial income amounted to SEK 0.9 M (0.5) and financial expense to SEK -1.8 M (-1.3).

Earnings before depreciation and amortization (EBITDA) amounted to SEK -5.6 M (-4.5). Depreciation/amortization and impairment amounted to SEK -4.4 M (-4.3). Earnings before interest and taxes (EBIT) amounted to SEK -10.0 M (-8.8). Net financial items for the period amounted to an expense of SEK -0.9 M (-0.8), bringing earnings for the period to SEK -10.9 M (-9.6).

Financial position

March 31, 2023

At March 31, 2023, the share capital amounted to SEK 8.4 M (4.2). The number of shares was 33,793,604, and the quota value was SEK 0.25. Consolidated equity was SEK 40.9 M (10.3).

At March 31, 2023, consolidated cash and cash equivalents amounted to SEK 34.8 M (18.5). Interest-bearing liabilities amounted to SEK 80.9 M (88.1). SEK 19.7 M (19.3) of liabilities pertained to a convertible debenture issued by the company in 2021. Interest-bearing liabilities otherwise comprised deferred VAT and employer's contributions of SEK 28.2 M (15.0). Other interest-bearing loans amounted to SEK 26.7 M (28.1), and pertained to variable-rate credit directly attributable to the company's factoring service whereby advances are provided on receivables purchased. Lease liabilities amounted to SEK 6.3 M (8.9) in accordance with IFRS 16. The carrying amount of the Group's intangible assets, including the Group's various production systems, was SEK 60.1 M (48.6). Capitalization for the period amounted to SEK 9.2 M (4.3) and pertained to the development of BNPL SaaS. Refer to Note 8.

Outlook and financing/going concern

Sileon is a technology company that enables the international financial sector, fintech and major merchants to offer BNPL services under their own management and brand via its BNPL SaaS platform. Sileon's modern BNPL SaaS platform and related solutions provide full flexibility for its customers to create and launch their own BNPL solutions without major investments, lead times, maintenance costs or operational risk.

Sileon's BNPL solution has attracted the giants of the payment world. The partnership with Visa provides Sileon with immediate access to banks and financial institutions that are facing a decision to either build their own, or to purchase BNPL technology.

Sileon now uses its own platform and solution for a few major, and a number of smaller, Nordic customers. This gives Sileon a unique opportunity to gain access to demands for continued development of the company's BNPL SaaS platform. Engaging in this important activity requires various types of expertise and staffing to ensure stable and high-quality deliveries to the company's customers.

Sileon's BNPL business does not yet generate a sufficient cash flow to show a surplus for the overall operations. At March 31, the company's available cash and cash equivalents covered the needs that are required to execute the adopted plan over the next 12 months.

In view of the continuous efforts taking place to improve working capital and the recent developments within the company, the Board deems that prospects for further development of the new business and for achieving the set targets are positive.

Cash flow

For the quarter, cash flow from operating activities before, and after, changes in working capital was SEK -5.3 M (-5.3), and SEK -8.8 M (-5.5), respectively. The change is in line with the outcome for EBITDA and the change in other current receivables attributable to the factoring service where Sileon purchases the receivables. 95% of the purchased receivables are used to provide advances, where the advance is recorded as variable-rate credit under change in operating liabilities. Cash flow from investing activities was SEK -9.6 M (-4.5), and was mainly attributable to capitalized new development for the company's BNPL platform.

Cash flow from financing activities was SEK 14.9 M (8.9). Cash flow for the quarter was SEK -3.5 M (-1.0).

Tax

No capitalization of deferred tax assets on tax losses was recognized.

At December 31, 2022, unused tax loss carryforwards in the Parent Company and the Group amounted to SEK 599.6 M (567.8).

Parent company

Net sales for the Parent Company amounted to SEK 9.9 M (14.9). EBIT amounted to SEK 11.2 M (-10.8).

Equity

At March 31, 2023, the share capital amounted to SEK 8.4 M (4.2). The number of shares was 33,793,604, and the quota value was SEK 0.25. Consolidated equity was SEK 40.9 M (10.3) and entails an equity/assets ratio of 30%.

Employees

At March 31, 2023, the Group had 56 (36) employees, of whom 17 (10) were women. The average number of employees during the period was 49 (36).

Related-party transactions

Related parties include Group companies, principal shareholders (who own 10% or more of the shares), senior executives, Board members and close family members of these people. Commercial terms apply to the provision of services between the Group and related parties. No related-party transactions took place in the quarter.

Risk factors

Due to the nature of Sileon's business activities, the company is exposed to risk. The most prominent business risks are:

Fraud risk

Sileon collaborates with leading players to stay at the forefront of fraud prevention. The company works proactively to detect and prevent fraud. There is no guarantee that Sileon will not be exposed to fraud beyond that which normally arises in this type of business, or that Sileon's credibility will not otherwise be damaged.

Sileon is a payment institution authorized by the Swedish Financial Supervisory Authority and is listed on Nasdaq First North Growth Market. The company complies with several of the regulations and guidances issued by the Swedish Financial Supervisory Authority and other authorities, including the European Banking Authority.

Regulatory risks

Sileon has been PCI-certified (according to the Payment Card Industry Data Security Standard) since 2006 and authorized by the Swedish Financial Supervisory Authority to provide payment services since 2011. The company works proactively to harmonize its operations with the applicable laws, rules and regulations of the credit card networks and supervisory authorities. However, there is no guarantee that Sileon will not suffer financial loss or any other damage in the future.

Liquidity risk

Liquidity risk is the risk that Sileon is unable to meet its payment obligations in a timely manner. Sileon focuses on minimizing this risk by running its business with the help of effective cost control and good foresight.

Credit risk

Credit risk is the risk that a counterparty could default on its contractual obligations to Sileon. The company risk assesses new customers that are connected to Sileon's system and conducts regular credit assessments of the transactions that pass through the company's factoring product. Customers and consumers are continuously reviewed and any deviations from anticipated transaction or credit patterns may trigger action by Sileon. Credit risk related to the company's factoring product is spread over a large number of consumers with small amounts. Outstanding accounts receivable may be sold, which further limits any credit losses.

Finance risk

Finance risk is the risk that it may be difficult and/or expensive to obtain financing for the business. The company assesses that it has liquidity that covers the next 12-month period, and does not require additional financing.

Other risks

In addition to these risks, there are also risks associated with outstanding receivables, dependence on key individuals, market trust, economic conditions, customer revenue concentration, share-related risks, providers of financial services, products and systems, intellectual property rights, and so forth.

For a more detailed description of Sileon's risk exposure, refer to the company's 2022 Annual Report.

Growth financing

Sileon is a technology company that enables the international financial sector, fintech and major merchants to offer BNPL services under their own management and brand via its BNPL SaaS platform. Sileon's modern BNPL SaaS platform and related solutions provide full flexibility for its customers to create and launch their own BNPL solutions without major investments, lead times, maintenance costs or operational risk.

Sileon's BNPL solution has attracted the giants of the payment world. The partnership with Visa provides Sileon with immediate access to banks and financial institutions that are facing a decision to either build their own, or to purchase BNPL technology.

Sileon now uses its own platform and solution for a few major, and a number of smaller, Nordic customers. This gives Sileon a unique opportunity to gain access to demands for continued development of the company's BNPL SaaS platform. Engaging in this important activity requires various types of expertise and staffing to ensure stable and high-quality deliveries to the company's customers.

Sileon's BNPL business does not yet generate a sufficient cash flow to show a surplus for the overall operations. Since making the decision to launch the BNPL SaaS business area, Sileon has used a combination of equity and loans to finance the operation.

In view of the continuous efforts taking place to improve working capital and the recent developments within the company, the Board deems that prospects for further development of the new business and for achieving the set targets are positive.

Condensed consolidated income statement

KSEK	Note	Jan – Mar		Full-year	
		2023	2022	LTM	2022
Operating income					
Transaction-based revenue	2	9,883	11,488	47,329	48,934
Other income		5,325	3,435	21,289	19,400
Total operating income		15,207	14,923	68,618	68,333
Own work capitalized		9,228	4,330	26,946	22,048
Operating expenses					
Transaction costs	2	-2,344	-2,940	-10,968	-11,564
Production costs		-1,669	-1,306	-7,013	-6,650
Other external costs		-12,523	-10,624	-44,472	-42,573
Employee benefit expenses		-13,506	-8,846	-45,067	-40,408
Amortization/depreciation and impairment	3	-4,440	-4,298	-18,664	-18,522
Total operating expenses		-34,481	-28,014	-126,184	-119,717
OPERATING LOSS		-10,046	-8,761	-30,620	-29,336
Financial income	4	912	533	3,618	3,699
Financial expense	4	-1,769	-1,323	-6,255	-6,269
Total loss from financial investments		-857	-791	-2,637	-2,571
LOSS AFTER FINANCIAL ITEMS		-10,903	-9,552	-33,257	-31,907
Tax***		6	-	-	-222
LOSS FOR THE PERIOD*		-10,896	-9,552	-33,257	-32,128
No. of shares at the end of the period, 000s**		33,793	16,897		33,793
No. of shares at the end of the period after dilution, 000s		33,793	16,897		33,793
Average number of shares for the period, 000s		33,793	16,897		25,809
Average no. of shares for the period after dilution, 000s**		33,793	16,897		25,809
Loss per share, SEK		-0.32	-0.57		-1.24
Loss per share after dilution, SEK		-0.32	-0.57		-1.24
Equity per share, SEK		1.21	0.61		2.02
Equity per share after dilution, SEK		1.21	0.61		2.02

*) The loss is attributable in its entirety to Parent Company shareholders

***) The company has issued a convertible debenture that may result in a dilution effect in the future

****) Tax pertains to deferred tax on convertible debentures and tax on profit from the preceding year in subsidiaries

Consolidated statement of comprehensive income

KSEK	Note	Jan – Mar		Full-year	
		2023	2022	LTM	2022
LOSS FOR THE PERIOD		-10,896	-9,552	-33,427	-32,128
Items that can be reversed to profit or loss in subsequent periods		-	-	-	-
Items that cannot be reversed to profit or loss in subsequent periods		-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD*		-10,896	-9,552	-33,472	-32,128

*) The loss is attributable in its entirety to Parent Company shareholders

Condensed consolidated balance sheet

KSEK	Note	2023-03-31	2022-03-31	2022-12-31
ASSETS				
Fixed assets				
Intangible assets	8	60,099	48,567	54,466
Tangible assets	7	6,937	9,584	6,296
Total fixed assets		67,036	58,151	60,762
Current assets				
Current receivables	5	43,963	38,908	42,813
Escrow funds	9	60,328	68,802	54,112
Cash and cash equivalents	5	34,787	18,517	38,257
Total current assets		139,078	126,227	135,183
TOTAL ASSETS		206,115	184,379	195,945
Equity				
Share capital		8,448	4,224	8,448
Other contributed capital		300,277	240,407	300,278
Retained earnings, including profit/loss for the period		-267,831	-234,325	-256,933
Total equity		40,895	10,306	51,794
Liabilities				
Non-current liabilities				
Long-term borrowings, interest-bearing	6	49,169	41,065	33,018
Total non-current liabilities		49,169	41,065	33,018
Current liabilities				
Short-term borrowings, interest-bearing	5,6	31,682	47,004	34,946
Escrow liabilities	9	60,328	68,801	54,112
Current liabilities	5,6	24,041	17,202	22,074
Total current liabilities		116,051	133,008	111,132
TOTAL EQUITY AND LIABILITIES		206,115	184,379	195,945

Consolidated statement of changes in equity

KSEK	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the period	Total equity attributable to Parent Company shareholders
Opening balance at Jan 1, 2023	8,448	300,278	-256,933	51,794
Loss for the period	-	-	-10,896	-10,896
Comprehensive income for the period	-	-	-10,896	-10,896
New share issue	-	-	-	-
Unregistered offerings	-	-	-	-
Warrants	-	-1	-	-1
Issuance costs	-	-	-	-
Closing balance at Mar 31, 2023	8,448	300,277	-267,831	40,895
Opening balance at Jan 1, 2022	4,224	241,102	-224,773	20,553
Adjustment OB	-	-	-32	-32
Loss for the period	-	-	-32,128	-32,128
Comprehensive income for the period	-	-	-32,128	-32,128
New share issues	4,224	65,897	-	70,121
Reduction of share capital	-	-	-	-
Warrants	-	83	-	83
Issuance costs	-	-6,804	-	-6,804
Closing balance at Dec 31, 2022	8,448	300,278	-256,933	51,794
Opening balance at Jan 1, 2022	4,224	241,102	-224,773	20,553
Loss for the period	-	-	-9,551	-9,551
Comprehensive income for the period	-	-	-9,551	-9,551
New share issues	-	-	-	-
Reduction of share capital	-	-	-	-
Warrants	-	-	-	-
Issuance costs	-	-695	-	-695
Closing balance at Mar 31, 2022	4,224	240,407	-234,323	10,308

Consolidated cash flow statement

KSEK	Note	Jan – Mar		Full-year
		2023	2022	2022
Operating activities				
EBIT before financial items		-10,046	-8,761	-29,336
Non-cash adjustments		5,345	4,298	23,120
Operating cash flow		-4,701	-4,464	-6,215
Interest received		912	533	3,699
Interest paid		-1,502	-1,323	-5,508
Cash flow from operating activities before change in working capital		-5,291	-5,254	-8,024
Change in working capital				
Change in accounts receivable		-2,268	-243	-1,133
Change in other current receivables		-843	-3,622	-11,124
Change in accounts payable		-721	-2,357	2,508
Change in other operating liabilities		352	6,010	7,032
Cash flow from operating activities		-8,771	-5,466	-10,742
Investing activities				
Investments in intangible assets	8	-9,228	-4,330	-22,048
Investments in tangible assets		-410	-153	-851
Cash flow from investing activities		-9,638	-4,483	-22,899
Financing activities				
Repayment of lease liability		-723	-625	-2,075
New share issue, paid up		0	-	70,122
Warrants		-1	-	83
Issuance costs paid		0	-695	-6,804
Repaid loans		0	-	-8,963
Loans raised		15,663	10,250	-
Cash flow from investing activities		14,939	8,930	52,363
CASH FLOW FOR THE PERIOD		-3,470	-1,018	18,721
Cash and cash equivalents at the beginning of the period		38,257	19,536	19,536
Cash and cash equivalents at the end of the period		34,787	18,517	38,257

Condensed Parent Company income statement

KSEK	Note	Jan – Mar		Full-year	
		2023	2022	LTM	2022
Operating income					
Net sales	2	9,883	11,488	47,328	48,934
Other income		5,325	3,433	21,291	19,400
Total operating income		15,207	14,922	68,619	68,333
Operating expenses					
Cost of services rendered	2	-4,012	-4,245	-17,981	-18,214
Other external costs		-11,537	-13,402	-46,647	-48,511
Employee benefit expenses		-9,328	-6,706	-32,390	-29,767
Amortization/depreciation and impairment	3	-845	-680	-3,250	-3,085
Total operating expenses		-25,723	-25,033	-100,267	-99,577
OPERATING LOSS		-10,516	-10,112	-31,648	-31,244
Profit/loss from financial investments					
Financial income		1,042	663	4,145	4,246
Financial expense		-1,725	-1,319	-6,195	-6,270
Total loss from financial investments		-682	-657	-2,050	-2,025
LOSS AFTER FINANCIAL ITEMS		-11,198	-10,768	-33,698	-33,269
Appropriations					
Group contributions received		-	-	-	-
Tax		6	-	-	59
LOSS FOR THE PERIOD		-11,192	-10,768	-33,633	-33,210

Parent Company statement of comprehensive income

KSEK	Note	Jan – Mar		Full-year	
		2023	2022	LTM	2022
LOSS FOR THE PERIOD		-11,192	-10,768	-33,633	-33,210
Items that can be reversed to profit or loss in subsequent periods		-	-	-	-
Items that cannot be reversed to profit or loss in subsequent periods		-	-	-	-
TOTAL LOSS FOR THE PERIOD		-11,192	-10,768	-33,633	-33,210

Condensed Parent Company balance sheet

KSEK	Note	2023-03-31	2022-03-31	2022-12-31
Fixed assets				
Intangible assets		-	-	-
Tangible assets	7	6,937	9,575	6,296
Financial assets		1,100	1,100	1,100
Total fixed assets		8,037	10,675	7,396
Current assets				
Current receivables		97,536	94,772	111,645
Escrow funds	9	60,328	68,801	54,112
Cash and bank balances		29,394	16,002	35,421
Total current assets		187,258	179,575	201,178
TOTAL ASSETS		195,295	190,250	208,574
Equity				
Restricted equity		8,448	4,224	8,448
Unrestricted equity		31,941	5,704	43,134
Total equity		40,390	9,929	51,583
Liabilities				
Non-current liabilities		49,169	41,622	33,018
Escrow liabilities	9	60,328	68,801	54,112
Current liabilities		45,408	69,898	69,862
Total liabilities		154,905	180,321	156,992
TOTAL EQUITY AND LIABILITIES		195,295	190,250	208,574

Noter

NOTE 1 Accounting policies

The report was prepared in accordance with IAS 34 (Interim Financial Reporting) and the Swedish Annual Accounts Act. The Parent Company's reports comply with the Swedish Annual Accounts Act and RFR2. In addition to the financial reports and their supplemental notes, disclosures in accordance with IAS 34. 16A also apply to other parts of the interim report. The accounting policies applied by the Group and the Parent Company are in all material respects unchanged compared with the annual financial statements for 2022.

No new standards that are applicable for Sileon became effective during the period.

The interim statements do not include all of the disclosures that are required for the annual financial statements and should therefore be read together with Note 1 of the annual financial statements for 2022.

NOTE 2 Revenue from contracts with customers and segment information

Transaction-based revenue, transactional profit and loss and intangible assets form the basis for monitoring and reporting each business area – BNPL and Other. Other profit, asset or liability items are included in the Parent Company's coordinated development and administration function and not therefore reported per business area.

In the BNPL business area, Sileon offers invoice processing or factoring, both of which include options such as invoicing and partial payment, where Sileon undertakes to provide all of the administrative and IT-related resources that are required for consumers to complete purchases online. For invoice processing, Sileon is entitled to a fee for services rendered when a consumer has completed a purchase and Sileon has, in turn, mediated the purchase to the e-merchant. Payment is settled on a monthly basis. The revenue

comprises fees charged and interest income that Sileon shares with the customer, and that is recognized on an ongoing basis over time, since the customer is deemed to receive and consume the benefits of the recurring service that is transferred by Sileon. For factoring, some of the agreement is regulated by IFRS 15, and this revenue is regulated on an ongoing basis over time as the service is consumed, and consists of the fees charged for invoice processing. The remaining factoring-related revenue refers to interest income on acquired receivables that is recognized using the effective interest method, see Note 5. The Other business area includes payment solutions for credit cards (Visa, Mastercard, Amex, etc), instant payments (Swish, etc) and digital wallets (PayPal, etc). The revenue is based on a combination of fixed periodic or initial fees, and fees per transaction or a percentage of the transaction value.

Transaction revenue and Net transaction revenue

KSEK	Jan – Mar		LTM	Full-year
	2023	2022		2022
Transaction-based revenue				
BNPL	7,856	9,018	38,004	39,167
Of which revenue from contracts with Customers	7,856	9,018	38,004	39,167
Other	2,027	2,469	9,325	9,767
Of which revenue from contracts with Customers	2,027	2,469	9,325	9,767
Total	9,883	11,488	47,329	48,934
Transaction costs				
BNPL	-2,144	-3,118	-9,083	-10,942
Other	-200	179	-1,290	-622
Total	-2,344	-2,940	-10,968	-11,564
Net transaction revenue				
BNPL	5,712	5,900	27,884	28,072
Other	1,827	2,648	8,476	9,298
Total	7,539	8,548	36,360	37,370

Information about geographic markets

During the period, just over 99% (99) of the Group's sales were generated in Sweden. Only the BNPL business area includes sales from countries other than Sweden.

Information about allocation of intangible assets per business area

Intangible assets

KSEK	Note	2023-03-31	2022-03-31	2022-12-31
BNPL	8	57,771	47,156	51,950
Other	8	2,329	1,411	2,517
Group	8	-	-	-
Total		60,099	48,567	54,466

NOTE 3 Amortization/depreciation and impairment

Amortization/depreciation and impairment

KSEK	Jan – Mar		Full-year
	2023	2022	2022
Capitalized development costs	3,595	3,632	15,438
Equipment	176	103	479
Right-of-use assets	669	563	2,606
Total	4,440	4,298	18,522

NOTE 4 Financial income and expense

Financial income and expense

KSEK	Jan – Mar		Full-year
	2023	2022	2022
Financial income			
Interest income	912	533	3,699
Other financial income	-	-	-
Total	912	533	3,699
Financial expense			
Interest expense for interest-bearing liabilities	299	455	1,475
Interest expense for lease liability	678	345	1,973
Other financial expense	792	523	2,821
Total	1,769	1,323	6,269

NOTE 5 Financial instruments

The Group's financial assets and liabilities are measured at amortized cost. The table presents information about the fair value of the Group's financial assets and liabilities based on how the inputs are categorized in the fair value hierarchy. The three levels are defined as follows:

Level 1 inputs

Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 inputs

Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability.

Level 3 inputs

Unobservable inputs for the asset or liability.

All financial assets belong to the Other current assets category, and all financial liabilities belong to the financial liabilities category. The aim of the financial assets is to receive contractual cash flows comprising payments of principal and interest on outstanding principal. These are recognized at amortized cost less impairment. For financial instruments such as accounts receivable and accounts

payable, for which no relevant observable market inputs are available, the fair value is considered equal to the carrying amount since the instruments have a short term to maturity.

For interest-bearing loans, fair value is based on the discounted value based on the current maturity and interest rate, which falls under Level 2 of the fair value hierarchy.

The company's remaining assets and liabilities are categorized into Level 3.

KSEK	Carrying amounts	Fair value
Assets		
Other current assets	42,698	42,698
Cash and cash equivalents	34,745	34,745
Total	77,443	77,443
Liabilities		
Borrowing, long-term	19,999	20,721
Borrowing, short-term	28,198	25,614
Other current liabilities	19,652	19,652
Total	47,850	45,266

NOTE 6 Maturity structure of financial liabilities

KSEK	Less than 3 months	3-6 months	6-9 months	9-12 months	More than 12 months	Total
2023-03-31						
Borrowing, incl interest	29,717	-	-	-	25,198	54,914
Lease liability	723	828	828	828	3,141	6,348
Accounts payable and other liabilities	5,373	2,502	-	2,502	23,211	33,587
Total	35,812	3,330	828	3,330	51,549	94,849
2022-12-31						
Borrowing, incl interest	32,948	-	-	-	23,722	56,669
Lease liability	661	661	661	661	2,866	5,510
Accounts payable and other liabilities	6,859	2,502	-	2,502	7,505	19,368
Total	40,467	3,163	661	3,163	34,093	81,547

On September 20, 2021, a convertible debenture was issued and raised total proceeds of SEK 19.9 M. A liability of SEK 19.5 M and equity of SEK 0.5 M were recognized on the date of issue. At December 31, 2022, the liability amounted to SEK 19.8 M. The debenture can be converted to 1,428,571 shares. If it is not converted, the debenture will mature on September 25, 2025.

NOTE 7 Tangible assets

Tangible assets

KSEK	Jan – Mar	
	2023	2022
Costs		
Equipment	2,968	1,958
Right-of-use assets	9,010	16,401
Closing accumulated costs	11,978	18,359
Depreciation and impairment		
Equipment	-1,948	-1,381
Right-of-use assets	-3,094	-7,395
Closing accumulated depreciation and impairment	-5,041	-8,776
Carrying amount	6,937	9,583

NOTE 8 Intangible assets

KSEK	BNPL	Other	Group	Total
2023-03-31				
Opening costs	122,283	33,035	1,021	156,339
Acquisitions for the period				
Capitalized development costs	9,228	-	-	9,228
Closing accumulated costs	131,511	33,035	1,021	165,567
Opening amortization and impairment	-70,333	-30,518	-1,021	-101,872
Amortization for the period				
Capitalized development costs	-3,407	-188	-	-3,595
Impairment	-	-	-	-
Closing accumulated amortization and impairment	-73,740	-30,706	-1,021	-105,467
Carrying amount	57,771	2,329	-	60,099
Assets not yet available for use	9,228	-	-	9,228
2022-12-31				
Opening costs	100,235	33,035	1,021	134,291
Acquisitions for the period				
Capitalized development costs	22,048	-	-	22,048
Closing accumulated costs	122,283	33,035	1,021	156,339
Opening amortization and impairment	-56,324	-28,908	-1,021	-86,253
Amortization for the period				
Capitalized development costs	-14,009	-1,610	-	-15,619
Impairment	-	-	-	-
Closing accumulated amortization and impairment	-70,333	-30,518	-1,021	-101,872
Carrying amount	51,950	2,517	-	54,466
Assets not yet available for use	10,425	-	-	10,425

KSEK	BNPL	Other	Group	Total
2022-03-31				
Opening costs	102,367	30,721	1,021	134,109
Acquisitions for the period				
Capitalized development costs	4,330	-	-	4,330
Closing accumulated costs	106,697	30,721	1,021	138,439
Opening amortization and impairment	-56,324	-28,908	-1,021	-86,253
Amortization for the period				
Capitalized development costs	-3,217	-401	-	-3,618
Impairment				
Closing accumulated amortization and impairment	-59,541	-29,309	-1,021	-89,871
Carrying amount	47,156	1,412	-	48,567
Assets not yet available for use	7,098	-	-	7,098

NOTE 9 Escrow funds

Escrow funds are presented gross on the balance sheet as “Escrow funds” under assets, and “Escrow liabilities” under liabilities. Escrow funds refer to the receivables and liabilities that Sileon holds on behalf of customers and are therefore recognized separately from Sileon’s own receivables and liabilities.

NOTE 10 Pledged assets and contingent liabilities

For current loans related to the factoring product, invoices amounting to SEK 26.7 M (28.1) were provided as security.

KSEK	2023-03-31	2022-03-31	2022-12-31
Pledged assets			
– commercial mortgages	-	6,663	-
Pledged assets			
– pledged receivables	26,678	28,071	29,942
Total	26,678	34,734	29,942

This report has not been audited.

The Board of Directors and the CEO assure that this report presents a true and fair view of the Parent Company and Group’s operations, financial position and results, and describes the

Stockholm, May 1, 2023

Kent Hansson
Chair of the Board

Jenny Karlsson
Board member

Linus Singelman
Board member

Torstein Harildstad
Board member

David Larsson
CEO

Quarterly overview

KSEK	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Operating income, KSEK	15,207	17,126	18,318	17,966	14,923
Transaction-based revenue, KSEK	9,883	11,681	12,872	12,893	11,488
Transaction costs, KSEK	-2,344	-2,148	-2,781	-3,695	-2,940
Net transaction revenue, KSEK	7,539	9,533	10,091	9,198	8,548
EBITDA, KSEK	-5,606	-4,817	223	-1,756	-4,464
EBIT, KSEK	-10,046	-9,959	-4,567	-6,048	-8,761
EBT, KSEK	-10,903	-10,486	-4,802	-7,067	-9,552
Loss per share, SEK	-0.32	-0.31	-0.14	-0.38	-0.57
Loss per share after dilution, SEK**	-0.32	-0.31	-0.14	-0.38	-0.57
Equity, KSEK	40,895	52,015	62,526	67,524	10,306
Equity per share, SEK	1.21	1.54	1.85	3.60	0.61
Equity per share after dilution, SEK**	1.21	1.54	1.85	3.60	0.61
EBITDA, %	neg.	neg.	neg.	neg.	neg.
EBIT, %	neg.	neg.	neg.	neg.	neg.
EBT, %	neg.	neg.	neg.	neg.	neg.
Return on operating capital, %	neg.	neg.	neg.	neg.	neg.
Return on equity, %	neg.	neg.	neg.	neg.	neg.
Equity/assets ratio, %*	30%	37%	39%	38%	9%
Debt/equity ratio, *	1.98	1.23	1.23	1.35	8.50

*) Calculation of the equity/assets ratio and debt/equity ratio does not include the escrow fund balance.

**) The exercise price of outstanding options either exceeds the average share price or falls within the exercise limit rules, resulting in unchanged loss per share before and after any dilution.

Multiyear overview

	2022	2021	2020	2019	2018
No. of shares at the end of the period, 000s	33,794	16,897	12,984	7,516	3,737
No. of shares at the end of the period, after dilution effect in 000s***	33,794	16,897	12,984	7,516	3,737
Average no. of shares, 000s	25,809	16,099	10,724	5,496	3,599
Average no. of shares after, dilution effect in 000s***	25,809	16,099	10,724	5,496	3,599
Transaction-based revenue, KSEK	48,934	36,140	27,785	38,792	35,139
Transaction costs, KSEK	-11,564	-7,440	-7,800	-11,110	-8,081
Net transaction revenue, KSEK	37,370	28,700	19,985	27,690	27,058
Loss after financial items/EBT, KSEK	-31,907	-49,170	-49,512	-38,242	-38,551
Equity per share, SEK	2.02	1.28	1.29	1.11	2.47
Equity per share after dilution, SEK***	2.02	1.28	1.29	1.11	2.47
Equity, KSEK	51,794	20,553	13,819	6,106	8,888
Interest-bearing net cash (incl. escrow funds), KSEK**	24,405,	14,728	579	22,138	15,157
Interest-bearing net cash/net debt (excl. escrow funds), KSEK*	-29,707	-54,362	-46,687	-43,932	-40,832
Equity/assets ratio, %	37%	18%	18%	8%	11%
Debt/equity ratio*	1.3	3.6	4.69	11.49	7.87
Average no. of employees	38	35	31	31	31
Investments, intangible assets, KSEK	22,048	12,303	15,371	11,880	15,842
Investments, intangible assets, KSEK	851	391	-	-	9

*) The calculation does not include the escrow fund balance.

**) Escrow funds (the asset) are included, since Paynova has a right to the return.

***) The exercise price of outstanding options either exceeds the average share price or falls within the exercise limit rules, resulting in unchanged number of shares before and after any dilution.

Definitioner

In the accounting policies used by the company, only a few financial measures are defined. The financial measures that have not been defined or specified in financial reporting frameworks such as IFRS are referred to as 'alternative performance measures.' The alternative performance measures supplement, but do not replace, the financial measures defined in the company's accounting policies. Sileon's definitions of alternative performance measures may differ from those used by other companies and have certain limitations as analytical tools.

Several of the following measures are considered alternatives. The method for calculating these measures is set out below. The alternative performance measures allow management and other stakeholders to assess Sileon's performance, such as operational activities, profitability via net transaction revenue and EBITDA. Other alternative performance measures, such as return on equity, are focused on the shareholder perspective. In addition, the equity/assets ratio is used to describe the company's financial position and long-term financial sustainability.

Transaction-based revenue: Fees based on the customer's transaction volume and number of transactions

Direct transaction costs: Fees based on transaction volume and number of transactions.

Net transaction revenue: Transaction revenue less direct transaction costs.

EBITDA: Earnings before interest, taxes, depreciation and amortization

EBIT: Earnings before interest and taxes

EBT: Earnings before tax

Items affecting comparability or nonrecurring items: Items that are infrequent and affect comparability of information between periods. Reported to give a better understanding of the performance of the business.

Operating capital: Total assets less cash and cash equivalents, financial assets and non-interest bearing liabilities. Escrow funds are excluded.

Return on operating capital: EBIT divided by Operating capital

Return on equity: EBT divided by equity

Equity/assets ratio: Equity divided by total assets. Escrow funds are excluded.

Debt/equity ratio: Interest-bearing liabilities divided by equity. Escrow funds are excluded.

Interest-bearing net debt/net cash: Interest-bearing liabilities less cash and other interest-bearing assets. If the item is negative, i.e. the interest-bearing assets exceed the liabilities, the item is referred to as net cash. Escrow funds are included since Sileon has a right to the return.

Earnings per share: Profit for the period attributable to Parent Company shareholders divided by the average number of shares.

Earnings per share after dilution: Profit for the period attributable to Parent Company shareholders divided by the average number of shares during the period, plus the calculated average of the shares that would have been issued if all options were converted to shares.

Equity per share: Equity for the period divided by the number of shares at the end of the period.

LTM: Last twelve months.

PCI certification: Payment Card Industry. Security standard certification for all organizations that store, process or transmit credit card information.

PSP: Payment Service Provider. A company that provides the technical platform for electronic payment services and collects and sends data about card transactions to banks and acquirers.



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About Sileon

Sileon AB (publ) is a global fintech company that offers an innovative SaaS-based Buy Now Pay Later (BNPL) functionality to banks, lenders and fintechs. Sileon's BNPL solution is integrated into the customer's environment and operates under the customer's brand, which, unlike conventional BNPL solutions, enables the customer to independently provide BNPL without being dependent on third parties. Sileon operates in a fast-growing international market with an estimated transaction value of \$ 680 billion globally by 2025. Sileon is listed on the Nasdaq First North Growth Market and has approximately 50 employees at its headquarters in Stockholm, Sweden. The company's Certified Adviser is Erik Penser Bank.

More information is available at www.sileon.com.

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Financial calendar

August 17, 2023	Q2 2023
November 17, 2023	Q3 2023
February 16, 2024	Year-end report, 2023

This information is such that Sileon AB (publ) is obligated to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on May 2, 2023 at 7:00 a.m. CEST.