



Press release  
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## **Sileon resolves on a fully secured rights issue of approximately SEK 33.8 million**

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**The Board of Directors of Sileon AB (publ) ("Sileon" or the "Company"), with authorization from the Annual General Meeting held on May 2, 2023, has today resolved on a rights issue of a maximum of 16,896,802 shares with preferential rights for the Company's existing shareholders as of the record date on September 14, 2023 (the "Rights Issue"). The subscription price is SEK 2.00 per share. With full subscription in the Rights Issue, Sileon will raise approximately SEK 33.8 million before transaction costs, and the purpose of the Rights Issue is mainly to finance ongoing commercialization activities and product development, as well as general working capital. In connection with the Rights Issue, certain existing shareholders have made subscription commitments totaling SEK 12.1 million, equivalent to 35.9 percent of the Rights Issue. In addition to subscription commitments, certain existing shareholders and an external investor have provided guarantee undertakings totaling SEK 21.7 million, equivalent to 64.1 percent of the Rights Issue. Therefore, the Rights Issue is, through these subscription commitments and guarantee undertakings, secured to 100 percent.**

### **Summary**

- The Board of Directors of Sileon has resolved on a capital raise of approximately SEK 33.8 million, before transaction costs, through a rights issue with preferential rights for the Company's existing shareholders as of the record date September 14, 2023.
- The proceeds from the issue will mainly finance ongoing commercialization activities and product development, as well as general working capital.
- Each existing share held in the Company as of the record date September 14, 2023, entitles the holder to one (1) subscription right. Two (2) subscription rights entitle the holder to subscribe for one (1) share.
- The subscription price for one share is SEK 2.00.
- The subscription period for the Rights Issue runs from September 18 to October 2, 2023.
- The Rights Issue is secured to 100 percent of the issue amount through subscription commitments and guarantee undertakings.

### **Background and Motives**

Sileon is a global fintech company that offers innovative SaaS-based Buy Now Pay Later (BNPL) features to banks, lenders, and fintech companies. The BNPL market is experiencing significant acceleration and is expected to reach a global transaction volume of 566 billion USD by 2026.

As a result of more consumers, especially the younger generations, preferring alternative payment methods over card payments, card issuers are losing market share. To remain relevant, they need to

rapidly add new digital products to their existing cards. However, building and maintaining a scalable BNPL functionality internally is highly complex and intricate, expensive, and, above all, time-consuming to develop. Collaborating with a BNPL functionality provider thus becomes the answer for card-issuing banks that want to stay competitive.

Sileon launched its technical BNPL platform in the first quarter of 2023. The Company aimed to contract customers while the platform was in production, which proved to be challenging. The sales process for smaller customers has taken 1–3 months, and for larger customers, it's been 3–6 months. The Company has now started contracting smaller customers, and larger customers are expected to be contracted in 2023. Consequently, Sileon faces a delay of about 6 months in terms of acquiring new customers, necessitating a capital requirement to deliver according to the strategic plan.

Today, Sileon has a fully commercial product in the form of a platform and solution modules. The Company is now focusing on complementing the platform with optional solution modules to further facilitate card issuers in quickly and easily offering BNPL on existing cards.

Upon full subscription, the Company will receive net proceeds of approximately SEK 27.8 million, after deducting issuance costs of around SEK 6.0 million. The net proceeds are intended to be allocated to the following uses, in order of priority and with estimated proportions:

- General working capital, approx. 20%
- Continued commercialization activities in Europe, primarily digital channels, approx. 20%
- Development of complementary functionality solutions to the BNPL platform, approx. 60%

#### **Preliminary time plan for the Rights Issue**

September 12, 2023	Last trading day of the share with the right to participate in the Rights Issue
September 13, 2023	First trading day of the share without the right to participate in the Rights Issue
September 13, 2023	Estimated date for publication of prospectus
September 14, 2023	Record date for participation in the Rights Issue
September 18 – September 27, 2023	Trading in subscription rights
September 18 – October 2, 2023	Subscription period
October 4, 2023	Estimated date for publication of the outcome of the Rights Issue

#### **Rights Issue in Summary**

The right to subscribe for shares is granted with pre-emptive rights for the Company's shareholders. Each existing share held in the Company as of the record date September 14, 2023, entitles the holder to one (1) subscription right. Two (2) subscription rights entitle the holder to subscribe for one (1) share at a subscription price of SEK 2.00 per share.

If all of the new shares are not subscribed for with subscription rights, the Board of Directors shall, up to the maximum amount of the Rights Issue, resolve on allocation of new shares which have been subscribed for without subscription rights, in accordance with the following:

- Firstly, allotment without preferential rights shall be made to such subscribers who have also subscribed for shares by virtue of subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, and in case allotment to such subscribers cannot be made in full, allotment shall be made in proportion to the number of subscription rights exercised for subscription of shares;
- Secondly, allotment of shares subscribed for without subscription rights shall be made to others who have subscribed without subscription rights, and in the event that allotment to these cannot be made in full, allotment shall be made in relation to the number of shares that each person has expressed an interest in subscribing for;
- Thirdly and ultimately, allotment of shares subscribed for without subscription rights shall be made to those who, by agreement, have entered into a guarantee undertaking in their capacity as guarantors, and in the event that allotment to these cannot be made in full, allotment shall be made in relation to the amount that each has guaranteed for subscription. To the extent that allotment at any stage according to the above cannot be made pro rata, allotment shall be made by drawing lots.

Subscription of shares takes place during the period from September 18 to October 2, 2023. With full subscription in the Rights Issue, the Company will raise approximately SEK 33.8 million before transaction costs.

### **Shares and Share Capital**

Provided that the Rights Issue is fully subscribed, the share capital of the Company will increase by a maximum of SEK 4,224,200.50, from SEK 8,448,401.00 to SEK 12,672,601.50, through the issuance of a maximum of 16,896,802 shares. The number of shares will thus increase from 33,793,604 to a maximum of 50,690,406 shares.

Shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully subscribed, have their shareholdings diluted by approximately 33.3 percent of the shares and votes, but are able to financially compensate for this dilution by selling their subscription rights.

### **Subscription commitments and guarantee undertakings**

The Rights Issue is secured to 100 percent through subscription commitments and guarantee undertakings. Subscription commitments have been made by certain existing shareholders (Theodor Jeansson, Rieber & Søn AS and Biljon AB) as well as senior executives (David Larsson, Bahareh Zand and Christoffer Jezek) and board members (Kent Hansson, Jenny Karlsson, Linus Singelman and Torstein Harildstad via Chairors AS) and amount to approximately 35.9 percent of the Rights Issue.

Approximately 64.1 percent of the Rights Issue is secured through guarantee undertakings from existing shareholders (Kent Hansson via Ulixes Group AB, Rieber & Søn AS, Biljon AB and Theodor Jeansson) and an external party (Perestroika AS). For guarantee undertakings, a cash compensation of fourteen (14) percent of the guaranteed amount is provided. No compensation is paid for submitted subscription commitments. Guarantee undertakings have been agreed upon in writing. The subscription commitments and guarantee undertakings are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Further information regarding the parties that have provided guarantee undertakings will be available in the prospectus to be published on September 13, 2023.

### **Advisors**

Erik Penser Bank AB is the financial advisor and Advokatfirman Vinge KB is the legal advisor to Sileon in connection with the Rights Issue.

### **For more information, please contact:**

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*This is information of the type that Sileon AB (publ) is obligated to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person above on 2023-09-07 08:30 CEST.*

### **About Sileon**

Sileon AB (publ) is a global fintech company that offers an innovative card-based Buy Now Pay Later (BNPL) SaaS functionality to banks, card issuers and fintechs. With Sileon's BNPL product, customers can add BNPL to their existing credit or debit card base and run their B2B or B2C BNPL business in-house. Sileon operates in a fast-growing international market with an estimated transaction volume 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.

### **Important information**

The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in Sileon. The invitation to concerned persons to subscribe for shares in Sileon will be made only through the prospectus that Sileon will publish on or about September 13,

2023. No action has been taken, or will be taken, by Sileon to permit an offer to the public in jurisdictions other than Sweden.

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#### **Forward-looking statements**

This press release contains certain forward-looking statements that reflect Sileons' current views and expectations regarding future events and financial and operational developments, including statements regarding the Rights Issue and statements regarding guidance, planning, prospects and strategies. Words such as "intended," "estimated," "expected," "planned," "estimated," "may," and other expressions that imply indications or predictions of future developments or trends and are not based on historical facts constitute forward-looking statements information. Although Sileon believes that these statements are based on reasonable assumptions and expectations, Sileon cannot guarantee that such forward-looking statements will be realized. Because these forward-looking statements involve both known and unknown risks and uncertainties, actual outcomes may differ materially from those expressed in forward-looking information. Forward-looking statements in the press release speak only as of the date of the press release and are subject to change without notice. Potential investors should not place undue reliance on the forward-looking information contained herein, and potential investors are strongly encouraged to read those parts of the prospectus that include a more detailed description of factors that may affect the Company's business and the market in which the Company operates. The Company makes no promises to publish updates or revisions to forward-looking statements as a result of new information, future events or the like beyond what is required by applicable laws or stock market regulation.