



Press release

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The figures refer to the Group unless otherwise stated. Figures in parentheses refer to the corresponding period of 2021 unless otherwise stated.

THIRD QUARTER 2022

- Revenues increased to SEK 18.3 M (10.6).
- Earnings before depreciation and amortization (EBITDA) amounted to SEK 0.2 M (-3.9).
- Earnings before interest and taxes (EBIT) amounted to SEK -4.6 M (-9.3).
- Bringing loss for the period to SEK -4.8 M (-9.7).
- Loss per share -0.14 (-0.58).

SIGNIFICANT EVENTS IN THE THIRD QUARTER

- Nothing to report during this quarter.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Sileon has signed its first international customer for the BNPL SaaS platform, the Hungarian fintech company Paysome.

CEO letter

This is how BNPL SaaS began

Consumer demand for BNPL is accelerating internationally and banks and fintechs are looking for technical solutions to quickly and scalably meet their customers' expectations. In this next stage of consumer credit digitalization, banks are being held back by older, more complicated technical structures, while fintechs are struggling with insufficient bandwidth or know-how to create their own necessary BNPL tech. Sileon's BNPL SaaS (Software as a Service) platform solves their problems.

In parallel with BNPL's accelerating international growth, more and more companies are finding their way to Sileon. Increasing numbers of international banks and fintechs understand that Sileon's BNPL SaaS technology can help them launch their own BNPL service in their respective markets. The first to use Sileon's BNPL SaaS platform will be the Hungarian fintech company Paysome, which is using Sileon's platform to build a BNPL challenger in central Europe.

Sileon's BNPL SaaS business model consists of a fixed monthly fee based on the customer's estimated annual transaction volume, plus a recurring variable fee per transaction. The business model has been well received and is particularly appreciated for its simplicity and how well it correlates with a company's own revenue generation. Compared with developing and maintaining their own BNPL technology, Sileon offers companies a demonstrably cost-effective, low-risk solution for established banks as well as fintech challengers.

Sileon is following its strategic plan

The plan remains firm and, according to schedule, Sileon is launching its BNPL SaaS platform commercially in the first quarter of 2023. In addition to growing demand for the BNPL platform, we have seen that some banks need ready-to-integrate solutions for such areas as risk, identity checks and digital communication. Even if banks often have their own solutions for these functions, they are not always compatible with new technology or modern digital customer journeys. To make it even easier for our customers to quickly and conveniently launch BNPL, during the second half of 2023 we will launch seamlessly integrated modular solutions as supplements to the BNPL platform. Our partner, Visa, has made a similar analysis of banks' needs and we are now close to an agreement with Visa regarding continued partial financing of Sileon's BNPL SaaS development.

To continue along the path forged and deliver BNPL capabilities to an international customer base, we need to further refine Sileon's operations. That is why in the first quarter of 2023, Sileon will be phasing out its Paynova consumer credit offering. The largest impact of this will be on Tradera, but after constructive dialogue during the autumn, they have found a good new solution.

Continued growth

Using Sileon's technology, OKQ8 will go live with its own BNPL service in mid-December 2022. The initial phase will include tests in several OKQ8 workshops. Thereafter, it will gradually be launched in other sales points and channels throughout 2023. Given the size of OKQ8, it's reasonable to assume that it could eventually become our largest customer to date.

The third quarter was another record quarter for income and profitability. Even though continued investments in BNPL SaaS will burden the next few quarters to a greater degree, this quarter's strong figures are a good indicator that Sileon is well on its way to reaching the strategic target of a positive EBITDA in 2023.

We enable your BNPL

David Larsson

November 2022

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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 November 18th 2022 at 7:00 a.m. CET.

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.