



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

THIRD QUARTER 2023

- Revenues decreased to SEK 9.7 M (18.3).
- Earnings before depreciation and amortization (EBITDA) amounted to SEK -8.6 M (0.2).
- Earnings before interest and taxes (EBIT) amounted to SEK -14.1 M (-4.6).
- Bringing loss for the period to SEK -14.5 M (-4.8).
- Loss per share -0.43 (-0.14).

SIGNIFICANT EVENTS IN THE THIRD QUARTER

- Sileon resolves on a fully secured rights issue of approximately SEK 33.8 million
- Sileon expands product line and opens a Trial Account for self-onboarding
- Sileon publishes prospectus in connection with the upcoming rights issue

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Sileon announces final outcome in Rights Issue
- The rights issue has been registered and trading in Paid Subscribed Shares ceases

CEO letter

A growing pipeline and new customer agreements before the end of the year

The interest in adding BNPL functionality to cards is increasing, and we are now in advanced dialogues with around 40 large and medium-sized international banks. Given the status of ongoing business dialogues, I expect a few customer dialogues to materialize into contracts already before the end of 2023. A typical BNPL SaaS contract with a major customer means between 1.5-3M Euro annual turnover with approximately 85% margin, which means that only a few new customers can significantly impact the company in this phase.

Sileon - a leader in BNPL niche

Apple's BNPL entry further intensifies banks' need to act on BNPL. Banks have few choices on how to approach BNPL strategically. They can either launch a check-out and thus enter the battle in e-commerce or establish a BNPL payment method that needs to be integrated into various PSPs and POS systems. Sileon enables banks to avoid all these technical and business complexities by enabling BNPL functionality on existing credit and debit cards. What makes Sileon unique is that our product and SaaS technology enables banks to offer BNPL through already existing technology and established customer relationships. During the year, Sileon has been established as one of a handful of tech companies that runs an international industry within this particular BNPL niche. With a finished product that meets the banks' needs, we are strongly positioned for growth in an international market.

Sileon increases the bank's BNPL conversion

To further facilitate banks, the company will in 2024 launch an additional Solution module called Smart BNPL. Smart BNPL will complement the BNPL SaaS Platform and enable banks to offer BNPL with a focus on responsible lending and increased conversion. This is done by allowing Sileon's customers to easily enable or disable BNPL for transactions made with specific merchants, industries, amounts or customer segments.

The trend breaks in Q4

As communicated in the previous quarter, quarter three is also burdened by the transformation from a payment company to a BNPL SaaS company. Reduced income from non-strategic and thus terminated customers, while revenue from the SaaS business has not yet increased, burdens the quarter result and cash flow. However, the trend will break in Q4 and show a significantly improved cash flow. During the autumn, a rights issue of SEK 33.8M was carried out, which, given the prevailing climate on the capital market, can be considered a statement of strength regarding the owner's and management's confidence in Sileon's future prospects. In connection with the rights issue, the company's financial goals have been revised and added capital will now take the company all the way to positive cash flow and EBITDA in Q2 2024.

We enable your card-linked BNPL

David Larsson
November 2023

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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 17th 2023 at 7:00 a.m. CET.

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.