

Stockholm 2021

# Interim report for the Third Quarter 2021

1 July - 30 September 2021

# Increased net turnover, new hires and product focus

## Summary of the third quarter (July-September 2021)

- Net turnover increased by +80% (year-on-year) and amounted to SEK 146.1 million (81.0).
- Gross profit increased by +111% and amounted to SEK 8.3 million (3.9).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -1.5 million (1.1).
- Operating profit amounted to SEK -2.5 million (0.6).
- Net profit amounted to SEK -2.5 million (0.6).
- Earnings per share (based on 20,449,600 shares) amounted to SEK -0.12.
- The number of orders executed increased by +31% to 53,827 (41,036)

## Summary of the first nine months (January-September 2021)

- Net turnover increased by +160% (year-on-year) and amounted to SEK 542.9 million (208.5).
- Gross profit increased by +188% and amounted to SEK 28.0 million (9.7).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -5.0 million (1.2).
- Operating profit amounted to SEK -7.5 million (-0.3).
- Net profit amounted to SEK -7.6 million (-0.3).
- Earnings per share (based on 20,449,600 shares) amounted to SEK -0.37.
- The number of orders executed increased by +43% to 170,888 (119,135)

The third quarter of 2021 showed an increase in net turnover of +80% compared with the same period in 2020. Net turnover amounted to SEK 146.1 million (81.0). Gross profit in the quarter was SEK 8.3 million (3.9), an increase of +111%.

EBITDA for the quarter amounted to SEK -1.5 million (1.1) and operating profit was SEK -2.5 million (0.6). EBITDA and operating profit improved compared to the second quarter since non-recurring costs from the IPO were booked in the first and second quarters of 2021.

At the end of the quarter, the company had a cash position of SEK 42.1 million (6.8) and in addition SEK 10 million that were invested in liquid crypto assets during the quarter. The recently acquired crypto assets are booked and held at cost in the balance sheet of the parent company.

Safello continued its efforts during the quarter to strengthen the organization, especially on the development side. Efforts to launch Safello Subscription and Safello Wallet have been accelerated and Safello Wallet was launched, after the end of the quarter, on 5 October 2021. Safello Subscription remains in public beta testing.

After the end of the quarter, Safello has initiated a marketing campaign in order to build brand awareness and increase the customer base. With a more complete product portfolio, lowered fees for trading and a robust and intuitive product, the company is well positioned to attract new customer segments that do not have the technical know-how to manage self managed wallets. The campaign is built around the idea that it should be safe and secure to trade crypto currency with Safello. Costs for the campaign will weigh on the results in the fourth quarter. Furthermore, on 11 October 2021, Safello announced that the highest trading fees will be lowered from 7% to 5%.

Safello offers its services to three primary customer groups: Retail for private individuals, Premium for HNWI with a larger transaction volume, and Business for businesses. Split by customer groups, Retail accounted for 75%, Premium for 20%, and Business for 5% of net turnover during the quarter (based on Safello back office data).

On 30 September 2021, Safello had completed more than 525,000 orders for a total volume of SEK 1.372bn since the start in 2013. The number of registered users exceeded 230,000.



## Results Summary for the Group and the Parent company

### Group

Below are key ratios for the period and the same period last year and the most recent full year.

	2021 (Jul-Sep)	2020 (Jul-Sep)	2021 (Jan-Sep)	2020 (Jan-Sep)	2020 (Jan-Dec)
Net turnover (kSEK)	146,136	80,964	542,945	208,518	315,007
Gross result (kSEK)	8,140	3,861	27,996	9,729	15,686
EBITDA (kSEK)	-1,497	1,078	-5,018	1,155	2,798
Operating result (kSEK)	-2,451	596	-7,495	-288	870
Result after financial items (kSEK)	-2,512	596	-7,554	-289	882
Balance sheet total (kSEK)	69,762	14,920	69,762	14,920	28,178
Acid-test ratio (%)	680.4%	210.5%	680.4%	210.5%	393.3%
Equity/Assets ratio (%)	90.5%	71.5%	90.5%	71.5%	80.7%

### Parent company - Safello Group AB

Below are key ratios for the period and the same period last year and the most recent full year.

	2021 (Jul-Sep)	2020 (Jul-Sep)	2021 (Jan-Sep)	2020 (Jan-Sep)	2020 (Jan-Dec)
Net turnover (kSEK)	0	0	0	0	0
Operating result (kSEK)	-3,327	-702	-17,859	-702	-4,213
Result after financial items (kSEK)	-3,388	-702	-17,918	-702	-4,216
Balance sheet total (kSEK)	68,671	23,907	68,671	23,907	38,578
Acid-test ratio (%)	2,265.5%	981.7%	2,265.5%	981.7%	1,465.9%
Equity/Assets ratio (%)	98.2%	98.5%	98.2%	98.5%	96.9%



Key metrics\* since  
start in 2013  
per 30 September  
2021

230k

—  
Users

525k

—  
Orders

1.372 BSEK

—  
Volume

Key metrics\* since  
start in 2013  
per 30 June 2021

213k

—  
Users

471k

—  
Orders

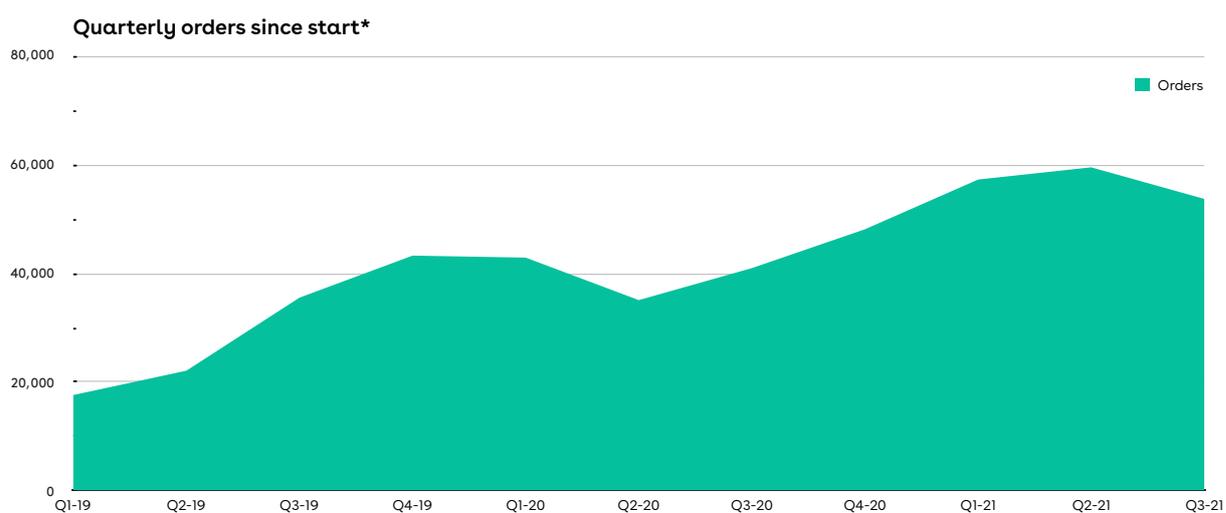
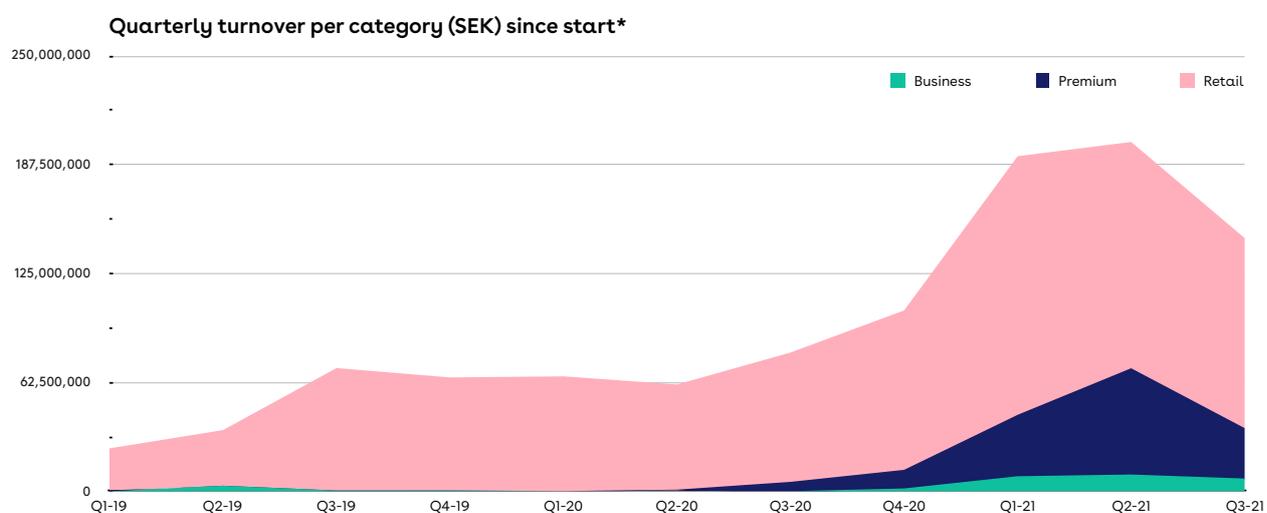
1.227 BSEK

—  
Volume

\*Based on back office data



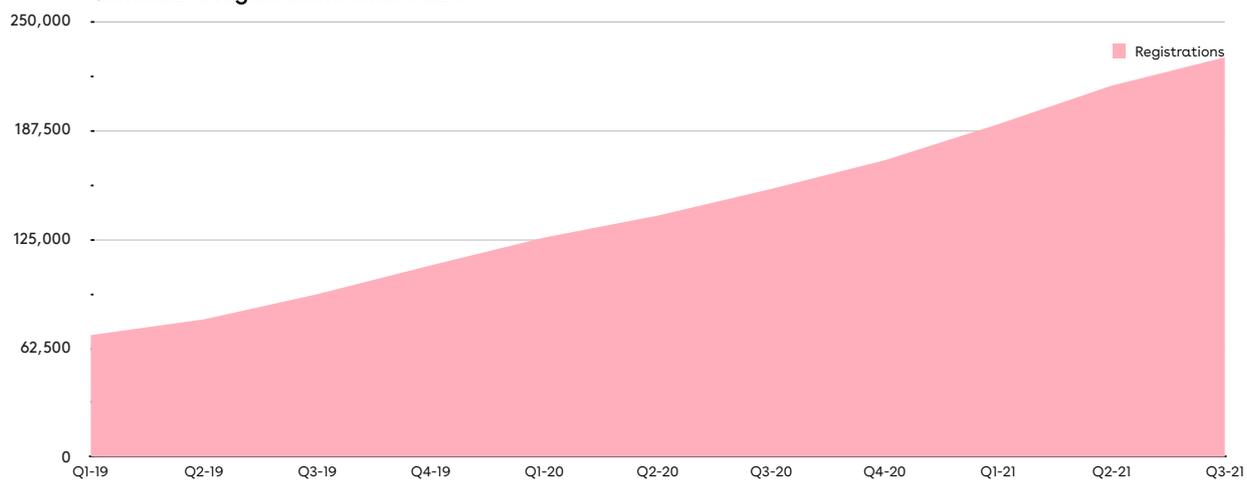
## Quarterly development since 2019



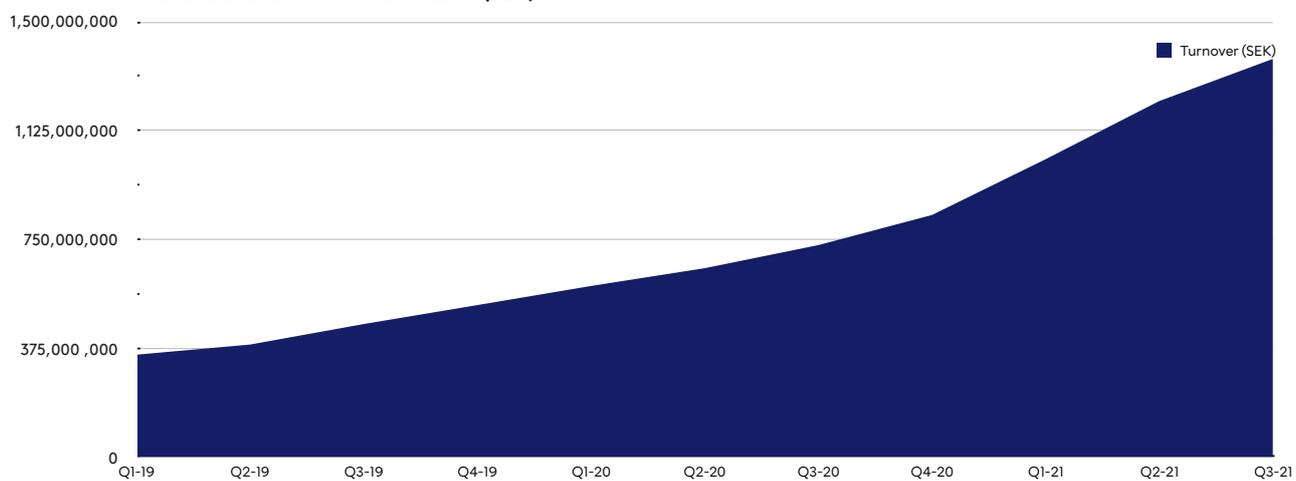
\*Based on back office data



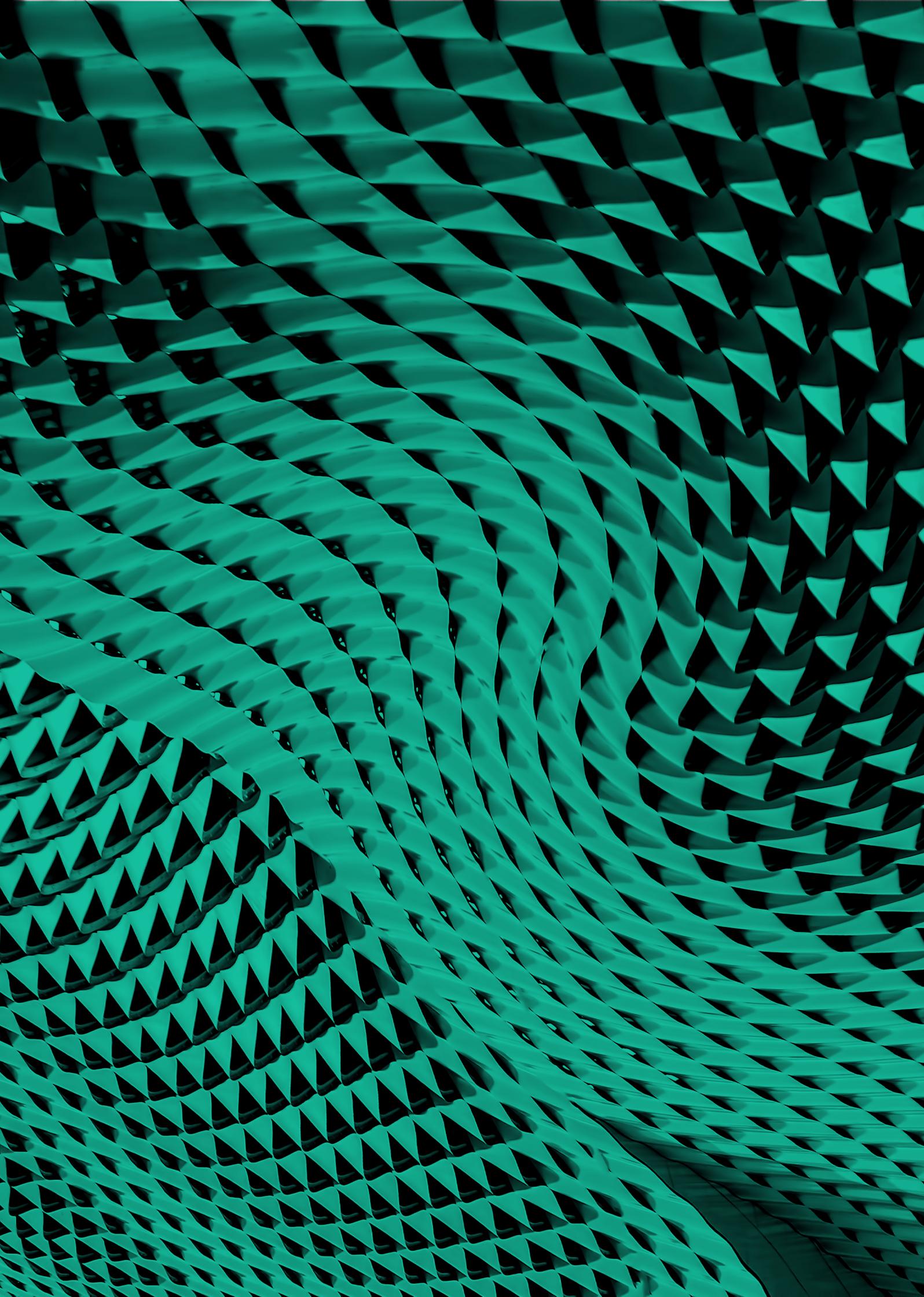
Cumulative registrations since start\*



Cumulative turnover since start\* (SEK)



\*Based on back office data





# CEO Letter

Dear shareholder,

This is shareholder update #48. That number includes all previous shareholder updates we sent over the past eight years during my tenure as CEO. The ambition for these letters is to help you better understand Safello's business, the nuances of the cryptocurrency market and our place in it. And above all, we want to ensure that you, our shareholder, are well informed in making your investment decision.

## Summer slumber

The third quarter was characterized by a slump in volume. This follows the historical pattern as highlighted in our prospectus. But as expected volume quickly picked up in September, closing in on our record month of May 2021. While the volatility in the Swedish market generally follows the global cryptocurrency markets, Swedish' summer is an outlier in terms of negatively impacting volume.

## Year-over-year growth

Year-over-year growth in order volume was +82.5% compared to the same period in 2020 (based on Safello internal data). The number of orders in the quarter increased to 53,827, an increase of +31% compared to the corresponding period in 2020 (41,036).

## Board mandate to purchase crypto assets

Our mandate to acquire up to 10 MSEK in crypto assets was well timed, as we acquired 17.5 bitcoin at an average price of EUR 39,416 and 110 ether at an average price of EUR 2,696. While the results in Q3 ended with an unrealized net loss on that allocation, as of 28 October the price of Bitcoin sits at EUR 50,863 and Ethereum at EUR 3,461, representing an unrealized gain of around SEK 2.7 million. The strategic approach has been to acquire the crypto assets with predefined sale targets as part of a long term investment plan.

## Growing the team

In terms of capital allocation since the IPO, Safello has primarily focused on its team, growing from 15 FTEs by the end of Q4 2020 to 29 FTE by the end of Q3. When including the investment into highly liquid crypto assets that was made in the quarter, our cash position has remained largely stable since last quarter, speaking to the effectiveness of the deployment of funds. Our team now boasts top talent from fintechs (iZettle and Klarna) and traditional financial institutions (Swedbank, Nordea, DNB). Moreso, we have been able to improve our diversity by hiring people with different cultural backgrounds (10 countries) and by improving our gender ratio from 27% women in Q4 2020 to 35% by the end of Q3 2021.



# CEO Letter

## Market positioning

As we position ourselves to move from being the Swedish market leader to becoming the dominant Swedish market leader, we have taken measures to accelerate our momentum.

1. The first of which has been a permanent lowering of fees from 7% to 5% as the highest price point, with an introduction of a minimum fee to protect the margin downside. Safello believes that any rate above 5% is not sustainable and that lowering this fee is a prerequisite to introduce products to a mainstream audience.
2. The second measure to broaden Safello's target groups has been the introduction of Safello Wallet. Much has been written in Safello's prospectus about its relevance to lower the threshold for the average user to buy, sell and store cryptocurrency. The importance of taking this friction away from the onboarding experience cannot be understated and it paves the way for future feature development. We encourage all shareholders and potential shareholders that are based in Sweden to download the app on iOS or Android and try it out for yourselves. For all other interested parties, please visit [safello.com/wallet](https://safello.com/wallet) and see the marketing video we recorded.
3. The third part of our positioning is the kickstart of Safello's national marketing campaign. On October 18th 2021 we launched this campaign with print ads in Dagens Industri, a digital campaign with Dagens Industri on both desktop and mobile and digital out of home ads in Stockholm. This marks the first time that Sweden has seen this type of marketing campaign for a cryptocurrency company. The purpose of which is to strengthen our brand recognition ahead of retail momentum.

We hope that these measures will translate into growth in coming quarters.

Thank you for supporting Safello in its mission to accelerate the adoption of cryptocurrency. Join us for our quarterly Q&A sessions to ask-us-anything.

**Frank Schuil**  
CEO & co-founder Safello





# Overview of Safello Wallet, the product launched to Web, iOS and Android in Q3.

Products Support safello Logga in

## Safello Wallet

Sweden's most user friendly crypto wallet

Kom igång

**Secure access**  
Uncompromising security and accessibility with Mobile BankID. Safello Wallet is connected to your Mobilt BankID and only you can access it. Just as secure as your bank.

**Simple payment**  
We believe that buying crypto should be easy. At Safello you can buy your bitcoin and ethereum with Swish in less than a minute. And from only 350 SEK.

**Safe storage**  
Your crypto assets are in safe hands. The Safello Wallet is powered by Fireblocks' industry leading platform for securing digital assets.  
[Read more](#)

9:41 safello.com

## Safello Wallet

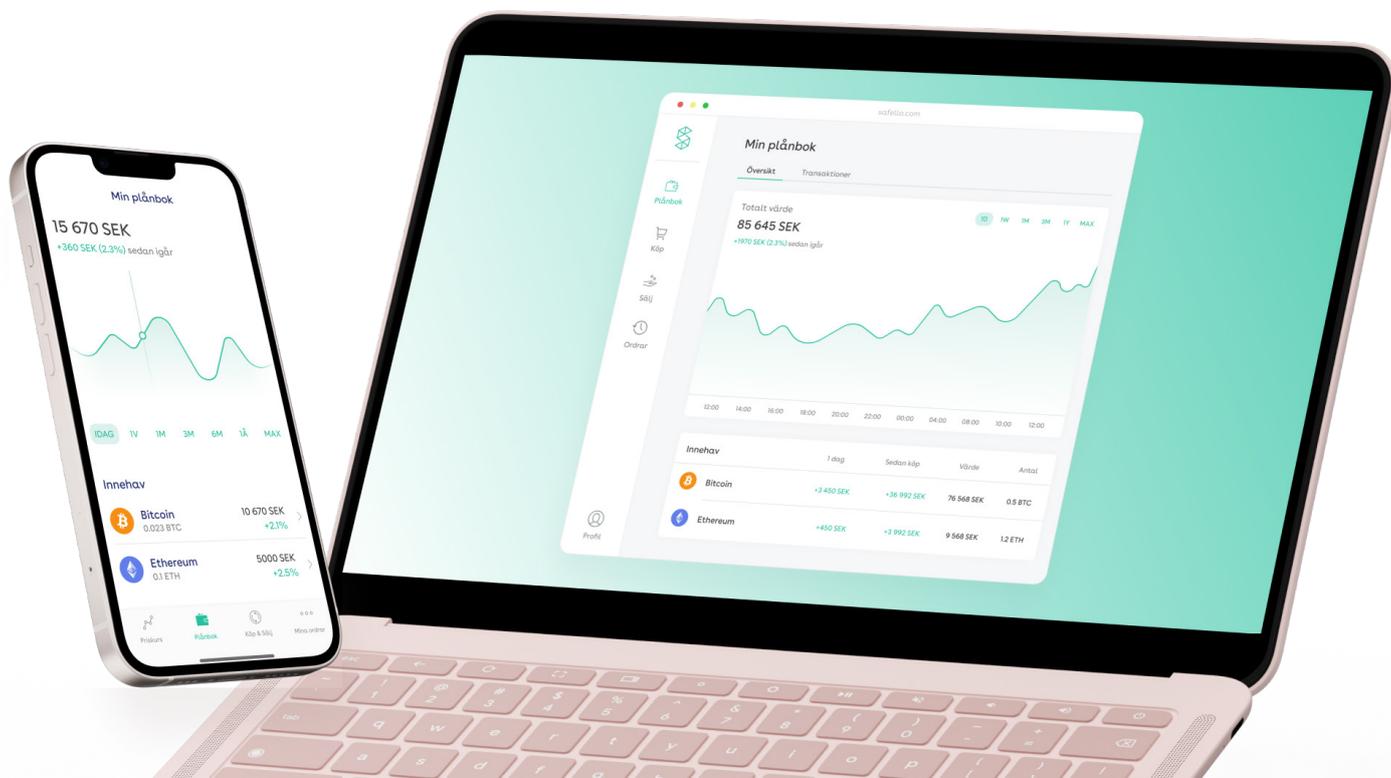
Sweden's most user friendly crypto wallet

Kom igång

**Secure access**  
Uncompromising security and accessibility with Mobile BankID. Safello Wallet is connected to your Mobilt BankID and only you can access it. Just as secure as your bank.

**Simple payment**

**Safe storage**





## Development during the third quarter of 2021

### The cryptocurrency market during the quarter

The total crypto market cap initially declined in the third quarter, bottoming in mid-July. Following a strong recovery through August and September, the total market cap at the end of the third quarter was USD 1,9 trillion. While this level is well below the record USD 2.5 trillion reached in the second quarter, the positive momentum has continued into the beginning of the 4th quarter, and Bitcoin is currently trading above USD 59.0k (28 October). Key factors affecting performance negatively in the beginning of the quarter included the Chinese cryptocurrency ban, macroeconomic uncertainty and the release of locked-up Grayscale Bitcoin Trust shares. The Bitcoin price fell to around USD 29k on 22 July 2021, a 54% drop from the previous USD 64k All Time High (ATH) of 12 April 2021. However, bitcoin was able to recuperate towards the end of September, much in line with previous cycles, and closed the third quarter at USD 43.9k.

The market volatility also affected the Ethereum blockchain. The lowest price for ether was recorded on 21 July 2021, when its price plunged down to USD 1,794 from the USD 4,182 all time high reached on 12 May 2021. However, the continued transition of the Ethereum network to become a more scalable solution, has resulted in the diversification of the digital assets created on the platform. The rise in popularity of so-called Non-Fungible Tokens (NFTs), with sales volumes of \$10 billion+ YTD, has contributed to a staggering demand for ether that are used to pay blockchain verification fees. In addition, stronger maturity and innovation of so-called Decentralised Applications (dApps), mostly used in the Decentralised Finance (DeFi) also paves way for an increase in ether demand. The DeFi ecosystem currently holds a TVL (Total Value Locked) of USD 147 billion and almost 68% of this type of applications can be attributed to the Ethereum network. The above stated reasons were probably significant contributors to ether closing Q3 at USD 2855.

### Safello's order volume during the third quarter

Compared to the first two quarters of 2021, Safello's order volumes (based on back office data) were lower in July at SEK 36.8 million (SEK 22.3 million in July 2020) and in August at SEK 43.0 million (SEK 84.9 million), but recovered in September to SEK 65.6 million (SEK 30.5 million). In total, order volumes were up 82.5% compared to the same period in 2020.



## Significant events during the quarter

On 5 July, Safello announced the launch of a private beta programme "Safello Subscription", which allows users to make regular purchases of cryptocurrencies over time, with a planned launch later in 2021. On 24 August 2021, Safello Subscription opened up for public beta testing.

On 12 August, Safello announced it had signed an agreement with Fireblocks, a platform for securing digital assets. The agreement gives Safello access to Fireblocks' wallet infrastructure to support the introduction of a digital wallet.

On 25 August, the board of directors authorized management to increase Safello's cryptocurrency holdings. SEK 10 million worth of cryptocurrency was acquired until the end of the quarter.

On 30 August, Safello announced private beta testing of the Safello Wallet. On 27 September the beta test was extended to select customers.

## Significant events after the end of the quarter

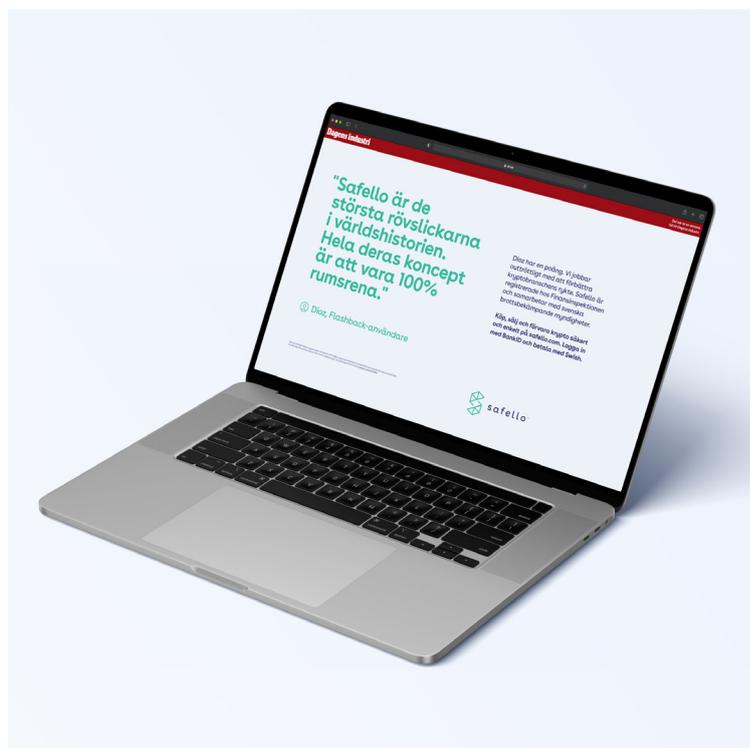
On 5 October, Safello launched the Safello Wallet, which makes it possible to store crypto currencies with Safello. The launch simplifies the buy and sell process for the user, and eliminates the need for a self managed physical or electronic wallet.

On 11 October, Safello announced that the maximum transaction fees were lowered from 7% to 5% in order to lower the threshold for customers to try Safello's products. For more information on the transaction fees, please visit <https://help.safello.com/en/articles/3311447-what-are-safello-s-fees>

On 18 October, Safello launched its first national marketing campaign "Make crypto boring", with the purpose of building trust in the brand and attracting new customers to Safello. In parallel a limited time offer with reduced fees for purchases to a Safello Wallet was introduced.



## Advertising examples from Safello "Make crypto boring" campaign





## Results and development during the third quarter of 2021 (For the Group)

### Net turnover

Net turnover for the third quarter amounted to SEK 146.1 million (81.0). Net turnover refers to Safello's sale of cryptocurrency in inventory and fees on completed transactions.

### Gross profit and gross margin

Gross profit amounted to SEK 8.1 million (3.9) and the gross margin to 5.6%. Gross profit and gross margin are affected by the customer mix because the fee level differs between the customer groups. During the quarter, the proportion of Premium customers decreased slightly, which explains part of the higher gross margin compared to the second quarter of 2021. Gross profit is also affected by changes in the value of cryptocurrency in inventory. See also "Inventories" below for further information.

### Operating costs and Personnel costs

Total operating expenses during the quarter amounted to SEK 9.6 million (2.8). Of these, Personnel costs amounted to SEK 6.4 million (1.8) and the increase is a result of new hires and the introduction of occupational pensions for employees from 1 April 2021. The Other operating expenses amounted to SEK 3.2 million (1.0), and a part of the increase can be attributed to the preparations ahead of the launch of Safello Wallet, primarily legal costs.

### Operating profit/loss

Operating result for the third quarter amounted to SEK -2.5 million (0.6).

### Net profit/loss

Net profit for the third quarter amounted to SEK -2.5 million (0.6).

## Financial standing

### Goodwill and intangible fixed assets

Goodwill amounted to SEK 7.4 million as of 30 September 2021 (SEK 0.0 million as of 31 December 2020) and represents the surplus value in connection with the acquisition of Rational Money AB minus depreciation. Goodwill amortization is made over 5 years.

Crypto assets held for investment are liquid bitcoin and ether holdings booked at cost. Per 30 September 2021, the investments amounted to SEK 10.1 million (0.0).

Intangible fixed assets amounted to SEK 3.5 million (4.9) as of 30 September 2021. The balance sheet item refers to capitalized expenses for development work in Safello Technology Development AB in 2018 and 2019. No development costs have been capitalized during 2021.



### **Inventories**

Inventories refer to cryptocurrencies for sale in the business. As of 30 September 2021, inventories amounted to SEK 3.1 million (1.7). The stock of cryptocurrencies is traded with high frequency and Safello holds on average an inventory of Bitcoin and Ethereum. Consequently, increases or decreases in value affect gross profit. During the third quarter, changes in the value of cryptocurrency inventory contributed SEK 0.8 million to gross profit.

### **Receivables**

Short-term receivables arise when Safello keeps liquidity (in EUR or other fiat-currencies) with counterparties such as crypto liquidity providers. As of 30 September 2021, current receivables amounted to SEK 3.0 million (4.5).

### **Cash and bank balances**

Cash as of 30 September 2021 amounted to SEK 42.1 million (17.0). Cash and bank balances exclude crypto holdings and liquidity held at crypto liquidity providers. The cash balance was negatively affected by the SEK 10 million investment into crypto assets during the quarter.

### **Equity**

As of 30 September 2021, equity amounted to SEK 63.1 million (22.7). The change since 31 December 2020 is mainly related to the new share issue in connection with the listing, and to a lesser extent the acquisition of Rational Money AB.

### **Current liabilities**

Current liabilities consist of transactions that take place over the balance sheet date, trade payables, current VAT liabilities, and liabilities to personnel. As of 30 September 2021, current liabilities amounted to SEK 6.6 million (5.4).

### **Cash flow**

Cash flow from operating activities amounted to SEK -1.4 million (SEK 1.0 million in the third quarter of 2020). Changes in working capital had an impact on cash flow by SEK 0.1 million.

Cash flow from investing activities amounted to SEK -10.2 million (0.5).

Cash flow from financing activities amounted to SEK 0.0 million (0.0).

Cash flow for the third quarter amounted to SEK -11.4 million (0.7).





# Income statements

## Group

Group (SEK)	2021-07-01 -2021-09-30 (3 months)	2020-07-01 -2020-09-30 (3 months)	2021-01-01 -2021-09-30 (6 months)	2020-01-01 -2020-09-30 (6 months)	2020-01-01 -2020-12-31 (12 months)
Net turnover	146,136,219	80,964,325	542,945,268	208,518,225	315,006,766
Cost of goods sold	-137,996,669	-77,103,544	-514,949,059	-198,789,189	-299,320,425
<b>Gross result</b>	<b>8,139,550</b>	<b>3,860,781</b>	<b>27,996,209</b>	<b>9,729,036</b>	<b>15,686,341</b>
Operating expenses	-3,192,225	-1,006,109	-17,843,208	-3,575,324	-5,785,998
Personnel expenses	-6,444,331	-1,776,394	-15,170,980	-4,999,020	-7,102,414
	<b>-9,636,556</b>	<b>-2,782,503</b>	<b>-33,014,188</b>	<b>-8,574,344</b>	<b>-12,888,412</b>
<b>EBITDA</b>	<b>-1,497,006</b>	<b>1,078,278</b>	<b>-5,017,979</b>	<b>1,154,692</b>	<b>2,797,929</b>
Depreciation of tangible and intangible assets	-954,255	-482,471	-2,477,173	-1,442,900	-1,928,258
<b>Operating profit/loss</b>	<b>-2,451,261</b>	<b>595,807</b>	<b>-7,495,152</b>	<b>-288,208</b>	<b>869,671</b>
<b>Result from financial items</b>					
Interest income and similar	-60,339	0	-58,684	683	17,833
Interest expense and similar	-14	-125	-141	-1,494	-5,291
	<b>-60,353</b>	<b>-125</b>	<b>-58,825</b>	<b>-811</b>	<b>12,542</b>
<b>Net profit/loss for the period</b>	<b>-2,511,614</b>	<b>595,682</b>	<b>-7,553,977</b>	<b>-289,019</b>	<b>882,213</b>
<b>Attributable to:</b>					
Parent company's shareholders	-2,511,614	595,682	-7,553,977	-289,019	882,213
<b>Net profit/loss for the period</b>	<b>-2,511,614</b>	<b>595,682</b>	<b>-7,553,977</b>	<b>-289,019</b>	<b>882,213</b>



## Balance Sheets

### Group

Group (SEK)	2021-09-30	2020-09-30	2020-12-31
<b>Assets</b>			
Goodwill	7,360,529	0	0
Cryptocurrency	10,090,812	0	0
Other intangible assets	3,453,453	5,345,442	4,871,631
Tangible assets	190,224	41,233	41,782
Financial assets	401,290	68,750	68,750
Inventories	3,087,792	527,756	1,703,851
Current receivables	3,040,074	2,118,819	4,483,970
Current investments	42,391	0	0
Cash and bank balances	42,095,133	6,818,191	17,008,112
<b>Total assets</b>	<b>69,761,698</b>	<b>14,920,191</b>	<b>28,178,096</b>
<b>Equity and liabilities</b>			
Equity	63,122,172	10,675,075	22,742,308
Current liabilities	6,639,526	4,245,116	5,435,788
<b>Total equity and liabilities</b>	<b>69,761,698</b>	<b>14,920,191</b>	<b>28,178,096</b>



## Changes in equity

### Group

Group (SEK)	Share capital	Unregistered share capital	Other contributed capital	Other equity including result for the year	Equity attributable to parent company's shareholders	Total equity
Equity 2020-01-01	99,125	0	43,427,946	-32,562,977	10,964,094	10,964,094
Result for the period				-289,019	-289,019	-289,019
Equity 2020-09-30	99,125	0	43,427,946	-32,851,996	10,675,074	10,675,074
Ongoing new share issue		6,810	10,889,190		10,896,000	10,896,000
Result for the period				1,171,234	1,171,234	1,171,234
Equity 2020-12-31	99,125	6,810	54,317,136	-31,680,762	22,742,308	22,742,308
Bonus issue	741,545			-741,545	0	0
Registered new share issue	6,810	-6,810			0	0
Non-cash issue	25,000		6,725,000		6,750,000	6,750,000
New issue	150,000		40,350,000		40,500,000	40,500,000
Warrants issued				683,841	683,841	683,841
Result for the period				-7,553,976	-7,553,976	-7,553,976
Equity 2021-09-30	1,022,480	0	101,392,136	-39,292,442	63,122,172	63,122,172



# Cash flow statements

## Group

Group (SEK)	2021-07-01 -2021-09-30 (3 months)	2020-07-01 -2020-09-30 (3 months)	2021-01-01 -2021-09-30 (9 months)	2020-01-01 -2020-09-30 (9 months)	2020-01-01 -2020-12-31 (12 months)
<b>Operations</b>					
Operating result	-2,511,614	595,682	-7,553,976	-289,019	869,671
Adjustments for items not included in cash flow	1,158,411	421,968	3,289,475	1,382,397	2,047,044
Received interest	0	0	0	0	17,833
Paid interest	0	0	0	0	-5,291
Paid income tax	0	1,712	-18,227	-55,828	-55,828
<b>Cash flow from operations before changes in working capital</b>	<b>-1,353,203</b>	<b>1,019,362</b>	<b>-4,282,728</b>	<b>1,037,550</b>	<b>2,873,429</b>
Net change in working capital	78,068	-832,542	149,033	1,838,491	23,485
<b>Cash flow from operations</b>	<b>-1,275,135</b>	<b>186,820</b>	<b>-4,133,695</b>	<b>2,876,041</b>	<b>2,896,914</b>
Cash flow from investment activities	-10,155,208	482,075	-11,963,124	481,412	-13,155
Cash flow from financing activities	0	0	41,183,841	-27,741	10,868,259
<b>Cash flow for the period/change in liquid funds</b>	<b>-11,430,343</b>	<b>668,895</b>	<b>25,087,022</b>	<b>3,329,712</b>	<b>13,752,018</b>
Liquid funds at beginning of period	53,525,477	6,149,296	17,008,112	3,488,479	3,488,479
Exchange rate difference in liquid funds	0	0	0	0	-232,385
<b>Liquid funds at end of period</b>	<b>42,095,134</b>	<b>6,818,191</b>	<b>42,095,134</b>	<b>6,818,191</b>	<b>17,008,112</b>



# Income statements

## Parent company

Parent company (SEK)	2021-07-01 -2021-09-30 (3 months)	2020-07-01 -2020-09-30 (3 months)	2021-01-01 -2021-09-30 (9 months)	2020-01-01 -2020-09-30 (9 months)	2020-01-01 -2020-12-31 (12 months)
Net turnover	2	3	6	3	0
Net turnover	-600	-406	-729	-406	0
<b>Gross result</b>	<b>-598</b>	<b>-403</b>	<b>-723</b>	<b>-403</b>	<b>0</b>
Operating expenses	-1,167,024	-110,118	-13,222,757	-110,118	-1,796,644
Personnel expenses	-2,159,775	-591,235	-4,635,657	-591,235	-2,416,814
	<b>-3,326,799</b>	<b>-701,353</b>	<b>-17,858,414</b>	<b>-701,353</b>	<b>-4,213,458</b>
<b>EBITDA</b>	<b>-3,327,397</b>	<b>-701,756</b>	<b>-17,859,137</b>	<b>-701,756</b>	<b>-4,213,458</b>
Depreciation of tangible and intangible assets	0	0	0	0	0
<b>Operating profit/loss</b>	<b>-3,327,397</b>	<b>-701,756</b>	<b>-17,859,137</b>	<b>-701,756</b>	<b>-4,213,458</b>
<b>Result from financial items</b>					
Interest income and similar	-60,339	0	-58,684	0	0
Interest expense and similar	0	0	-45	0	-2,984
	<b>-60,339</b>	<b>0</b>	<b>-58,729</b>	<b>0</b>	<b>-2,984</b>
Appropriations					5,040,000
<b>Net profit/loss for the period</b>	<b>-3,387,736</b>	<b>-701,756</b>	<b>-17,917,866</b>	<b>-701,756</b>	<b>823,558</b>



## Balance sheets

### Parent company

Parent company (SEK)	2021-09-30	2020-09-30	2020-12-31
<b>Assets</b>			
Intangible assets	10,090,812	1,114	21
Financial assets	29,933,733	21,183,733	21,183,733
Current receivables	1,597,449	2,456,316	6,254,250
Cash and bank balances	27,049,466	265,844	11,139,601
<b>Total assets</b>	<b>68,671,459</b>	<b>23,907,007</b>	<b>38,577,605</b>
<b>Equity and liabilities</b>			
Equity	67,406,979	23,557,424	37,391,004
Current liabilities	1,264,480	349,583	1,186,601
<b>Total equity and liabilities</b>	<b>68,671,459</b>	<b>23,907,007</b>	<b>38,577,605</b>



## Changes in equity

### Parent company

Parent company (SEK)	Share capital	Unregistered share capital	Share premium reserve	Non-restricted equity	Total equity
Equity 2020-01-01	99,125	0	43,427,946	-17,855,626	25,671,445
Result for the period				-701,756	-701,756
Equity 2020-09-30	99,125	0	43,427,946	-18,557,382	24,969,689
Ongoing new share issue		6,810	10,889,190		10,896,000
Result for the period				1,525,314	1,525,314
Equity 2020-12-31	99,125	6,810	54,317,136	-17,032,068	37,391,004
Bonus issue	741,545			-741,545	0
Registered new share issue	6,810	-6,810			0
Non-cash issue	25,000		6,725,000		6,750,000
New share issue	150,000		40,350,000		40,500,000
Warrants issued				683,841	683,841
Result for the period				-17,917,866	-17,917,866
Equity 2021-09-30	1,022,480	0	101,392,136	-35,007,638	67,406,979



# Cash flow statements

## Parent company

Parent company (SEK)	2021-07-01 -2021-09-30 (3 months)	2020-07-01 -2020-09-30 (3 months)	2021-01-01 -2021-09-30 (9 months)	2020-01-01 -2020-09-30 (9 months)	2020-01-01 -2020-12-31 (12 months)
<b>Operations</b>					
Operating result	-3,387,735	-701,756	-17,917,821	-2,114,022	-4,213,458
Adjustments for items not included in cash flow	9,655	0	-1,758	0	10,401
Received interest	0	0	0	0	0
Paid interest	0	1,712	-45	0	-2,984
Paid income tax	0		-18,227	17,442	17,442
<b>Cash flow from operations before changes in working capital</b>	<b>-3,378,080</b>	<b>-700,044</b>	<b>-17,937,851</b>	<b>-2,096,580</b>	<b>-4,188,599</b>
Net change in working capital	-488,461	750,742	4,766,621	2,172,528	-788,387
<b>Cash flow from operations</b>	<b>-3,866,541</b>	<b>50,698</b>	<b>-13,171,230</b>	<b>75,948</b>	<b>-4,976,986</b>
Cash flow from investment activities	-10,090,385	-396	-12,102,746	-1,059	34
Cash flow from financing activities	0	0	41,183,841	0	15,936,000
<b>Cash flow for the period/change in liquid funds</b>	<b>-13,956,926</b>	<b>50,302</b>	<b>15,909,865</b>	<b>74,889</b>	<b>10,959,048</b>
Liquid funds at beginning of period	41,006,392	215,541	11,139,601	190,954	190,954
Exchange rate difference in liquid funds	0	0	0	0	-10,401
<b>Liquid funds at end of period</b>	<b>27,049,466</b>	<b>265,843</b>	<b>27,049,466</b>	<b>265,843</b>	<b>11,139,601</b>



## Additional information

### **Transactions with related parties**

No transactions with related parties have taken place.

### **Employees**

The average number of employees in the Group, including consultants, during the third quarter was 26 (14). The number of employees at the end of the third quarter was 29 (15). The average number of employees (full-time positions excluding consultants) during the third quarter was 23 (10).

### **Off balance sheet items**

Safello treats cryptocurrencies belonging to customers as accounting funds held on behalf of each customer, and with the exception of what is necessary to practically carry out transfers of cryptocurrencies for customers, cryptocurrencies belonging to customers are always stored in a separate wallet based on Fireblock's digital infrastructure. Balances regarding each customer are kept in an internal book, and the net of the customers' crypto assets is sent regularly to the separate wallet to ensure separation of client funds. As these funds do not belong to Safello and are stored separately, the company will not include these assets and liabilities on the balance sheet. Per 30 September 2021, the funds held on behalf of customers (off balance sheet) amounted to SEK 0.01 million.

### **Shareholders and Share Capital**

On 30 September 2021, Safello Group AB had 2,575 shareholders.

Safello's share capital on 30 September 2021 amounted to SEK 1,022,480. The number of shares as of 30 September 2021 was 20,449,600. The average number of shares in the quarter was 20,449,600. The number of shares as of 30 September 2020 was 99,125 (before share split 1:160). The average number of shares in the third quarter of 2020 was 99,125.

### **Forward-looking statements**

This interim report may contain statements concerning, among other things, Safello's financial situation and profitability, as well as statements about growth and long-term market potential that may be forward-looking. Safello believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, forward-looking statements include risks and uncertainties, and the actual results or consequences may differ significantly from those made. In addition to what is required by applicable law, forward-looking statements apply only on the day they are made and Safello does not undertake to update any of them in the light of new information or future events.

### **Auditor**

The company's auditor is WeAudit Sweden AB. This report has not been reviewed by the company's auditor.

### **Accounting Principles**

Safello prepares its financial reports in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3) Annual Accounts and Consolidated Accounts. The same accounting principles and calculation methods have been used in the Interim Report as in the most recent Annual Report. The Interim Report has been prepared in accordance with ÅRL Chapter 9, Interim Report.



### **Goodwill**

Goodwill constitutes the difference between the acquisition value and the Group's share of the fair value of an acquired subsidiary's identifiable assets and liabilities on the acquisition date. At the time of acquisition, goodwill is reported at acquisition value and after the first reporting occasion, it is valued at acquisition value after deductions for depreciation and any write-downs. Goodwill is amortized over the expected useful life, which amounts to 5 years.

At each balance sheet date, the company makes an assessment of whether there is any indication that the value of goodwill is lower than the carrying amount. If there is such an indication, the company calculates the recoverable amount of goodwill and prepares an impairment test.

When testing for impairment, goodwill is allocated to cash-generating units. If the recoverable amount of a cash-generating unit is determined to be lower than the carrying amount, the impairment amount is allocated, first the carrying amount of goodwill attributable to the cash-generating unit is reduced and then the carrying amount of other assets is reduced in proportion to the carrying amount of each asset. in the device.

A reported write-down of goodwill may not be reversed in a later period.

### **Intangible assets - Cryptocurrency**

The company reports investments and investments in cryptocurrency as intangible fixed assets. No planned depreciation is applied to the assets that are cryptocurrencies, in order to give a true and fair view in accordance with the Swedish Annual Accounts Act.

### **Financial Calendar**

11 February 2022 - Interim report for the fourth quarter

### **Certified Adviser**

Safello Group AB's share (SFL) is listed on Nasdaq First North Growth Market, and Corpura Fondkommission AB is the Certified Adviser.

Corpura Fondkommission AB  
Artillerigatan 42  
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### **Important information**

This statement has been made in a Swedish and English version. In the event of any discrepancies between the Swedish and English version, the Swedish version shall prevail.

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

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