

Stockholm 2022

Interim report for the Fourth Quarter and Financial Year 2021

Record net turnover as a result of improved product portfolio and increased development capacity

Summary of the fourth quarter (October – December 2021)

- Net turnover increased by +102% (year-on-year) and amounted to SEK 215.0 million (106.5).
- Gross profit increased by +50% and amounted to SEK 8.9 million (6.0).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -6.2 million (1.6). The negative result is largely driven by investments in marketing during the period, as well as headcount additions to strengthen the business in the long run.
- Operating profit amounted to SEK -7.2 million (1.2).
- Net profit amounted to SEK -7.2 million (1.2).
- Earnings per share based on the average number of shares (based on 20,449,600 shares) amounted to SEK -0.35.
- Earnings per share based on the average number of shares after dilution (based on 21,440,668 shares) amounted to SEK -0.34.
- The number of executed orders increased by +42% to 68,303 (48,214).

Summary of the full year 2021 (January – December 2021)

- Net turnover increased by +141% (year-on-year) and amounted to SEK 757.9 million (315.0).
- Gross profit increased by +135% and amounted to SEK 36.9 million (15.7).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -11.2 million (2.8). The negative result is driven by non-recurring costs for the IPO during the year, costs for a marketing campaign in the fourth quarter, as well as headcount additions to strengthen the business in the long run.
- Operating profit amounted to SEK -14.7 million (0.9).
- Net profit amounted to SEK -14.7 million (0.9).
- Earnings per share based on the average number of shares (based on 19,467,668 shares) amounted to SEK -0.76.
- Earnings per share based on the average number of shares after dilution (based on 20,458,736 shares) amounted to SEK -0.72.
- The number of orders executed increased by +43% to 239,191 (167,355).

The fourth quarter of 2021 showed an increase in net turnover of +102% compared with the same period in 2020. Net turnover amounted to SEK 215.0 million (106.5). Gross profit in the quarter was SEK 8.9 million (6.0), an increase of +50%.

EBITDA for the quarter amounted to SEK -6.2 million (1.6) and operating profit was SEK -7.2 million (1.2). During the quarter the marketing campaign contributed to increased external costs by around SEK 2.4 million.

At the end of the quarter, the company had a cash position of SEK 34.6 million (17.0) and in addition SEK 10.1 million that were invested in liquid crypto assets during the third quarter. The crypto assets are booked and held at cost in the balance sheet of the parent company.

During the quarter, Safello further strengthened its organization, primarily in finance, development, HR and compliance. On December 21, it was announced that Emelie Moritz will take over as COO in March 2022.

Safello Wallet, a custodial solution for cryptocurrency, was launched during the quarter and has simplified the process of buying, storing and selling cryptocurrency for end users. Safello has noted a great interest from customers to store their cryptocurrency in Safello hosted wallets.

Safello Subscription, a feature that can be compared to a monthly savings account in cryptocurrency, was launched on November 22. It is a feature that makes it easier for customers to trade regularly, and can be seen as part of Safello's efforts to reduce volatility in revenue. Volumes have so far been limited, but it is currently too early to draw conclusions about the function.

Furthermore, the mobile app has been improved, including the possibility to sell crypto assets. As a result, the number of orders in the mobile app has increased by over +300% from the previous quarter, and over +900% since the fourth quarter of 2020. In terms of net turnover, the increase for the mobile app was + 264% from the third quarter of 2021 and +1,397% since the fourth quarter of 2020.¹ The development work is continuous to improve the mobile app even further.

¹ based on Safello's internal data

Safello's web application has also seen growth since the launch of Safello Wallet. Net turnover in the web application increased by +82% compared to the previous quarter, and by +220% since the fourth quarter of 2020. These figures are to be put in relation to a total net turnover increase of +46% compared to the previous quarter, and an increase of +102% from the fourth quarter of 2020.²

The marketing campaign "make crypto boring" ran for five weeks in October and November. The campaign received media attention and may have contributed to increased brand awareness and to a part of the increase in net turnover during the fourth quarter. A large part of the campaign was placed in Dagens Industri, both in print and online, but also in Stockholm's metro and street ads. The campaign was based on the premise that it should be safe and secure to trade cryptocurrency with Safello. Costs for the marketing campaign affect the result in the fourth quarter with approximately SEK 2.4 million. Furthermore, on October 11, 2021, Safello lowered the maximum fees from 7% to 5% for cryptocurrency trading.

Safello offers its services to three primary customer groups: Retail for private individuals, *Premium* for High-Net-Worth Individuals with a larger transaction volume, and Business for businesses. Split by customer groups, Retail accounted for 75%, Premium for 18%, and Business for 6% of net turnover during the quarter.³

On 31 December 2021, Safello had completed more than 593,000 orders for a total volume of SEK 1.585bn since the start in 2013. The number of registered users exceeded 250,000, an increase of 9% since the previous quarter.

² based on Safello's internal data

³ based on Safello's internal data



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 (Oct-Dec)	2020 (Oct-Dec)	2021 (Jan-Dec)	2020 (Jan-Dec)
Net turnover (kSEK)	214,954	106,489	757,898	315,007
Gross Result (kSEK)	8,909	5,957	36,905	15,686
EBITDA (kSEK)	-6,212	1,643	-11,230	2,798
Operating result (kSEK)	-7,180	1,158	-14,675	870
Result after financial items (kSEK)	-7,182	1,171	-14,736	882
Balance sheet total (kSEK)	62,863	28,178	62,863	28,178
Acid-test ratio (%)	542 %	393 %	542 %	393 %
Equity/Asset ratio (%)	89 %	81 %	89 %	81 %

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 (Oct-Dec)	2020 (Oct-Dec)	2021 (Jan-Dec)	2020 (Jan-Dec)
Net turnover (kSEK)	4,384	-	4,384	-
Gross Result (kSEK)	-149	-3,512	-18,008	-4,213
Result after financial items (kSEK)	-149	-3,515	-18,067	-4,216
Balance sheet total (kSEK)	70,538	38,578	70,538	38,578
Acid-test ratio (%)	1,278 %	1,466 %	1,278 %	1,466 %
Equity/Asset ratio (%)	97 %	97 %	97 %	97 %



Key metrics*
since start in
2013 **per 31**
December 2021

250 000

—
Users

593 000

—
Orders

1 585 MSEK

—
Volume

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

230 000

—
Users

525 000

—
Orders

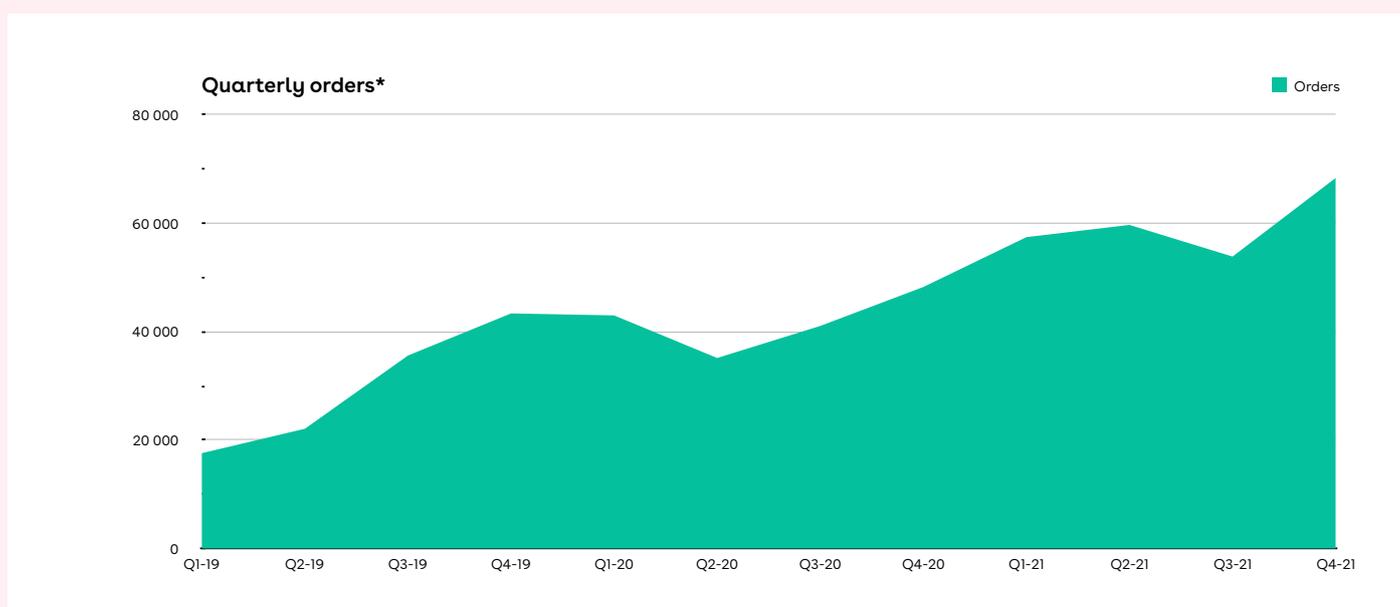
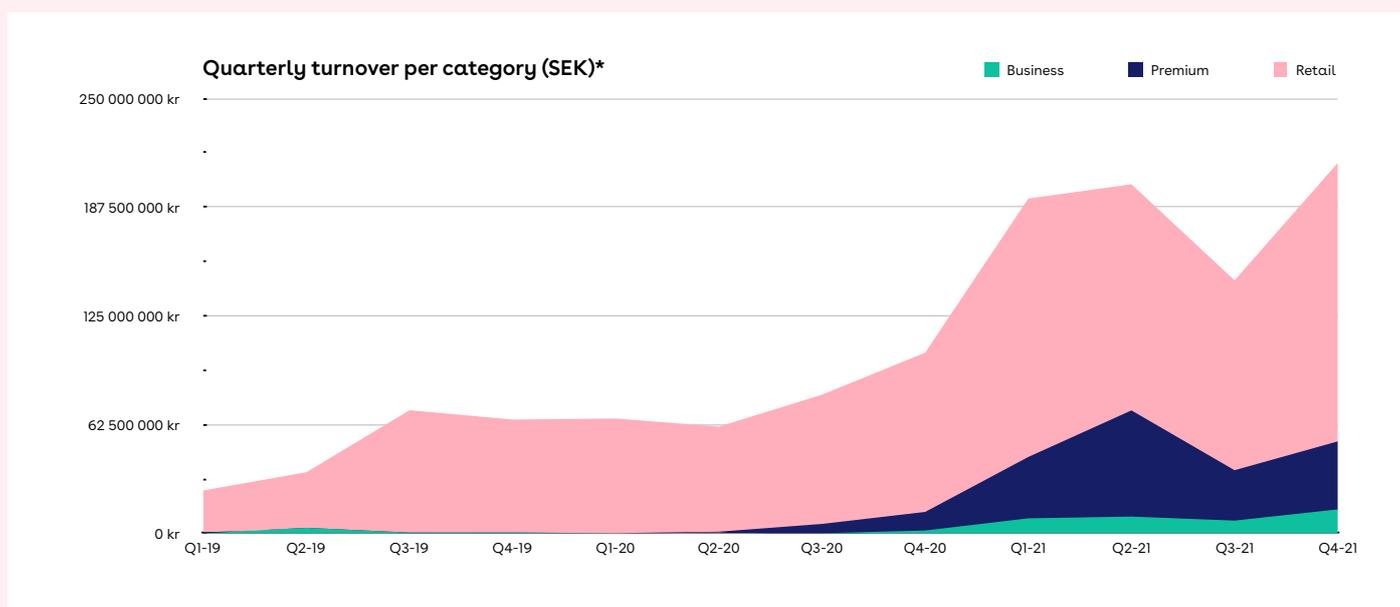
1 372 MSEK

—
Volume

*Based on back office data



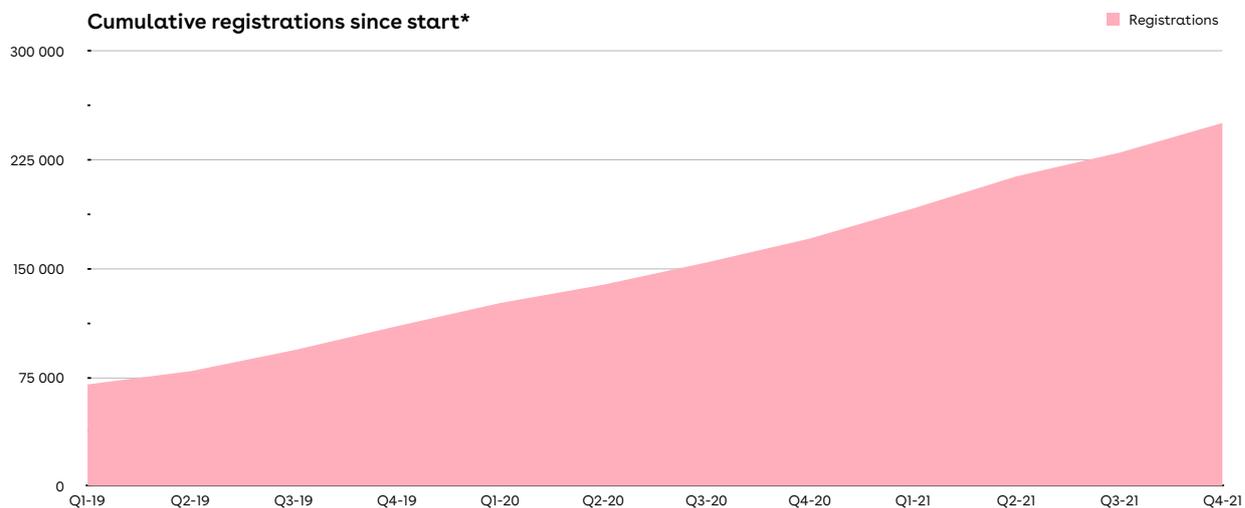
Quarterly development since 2019



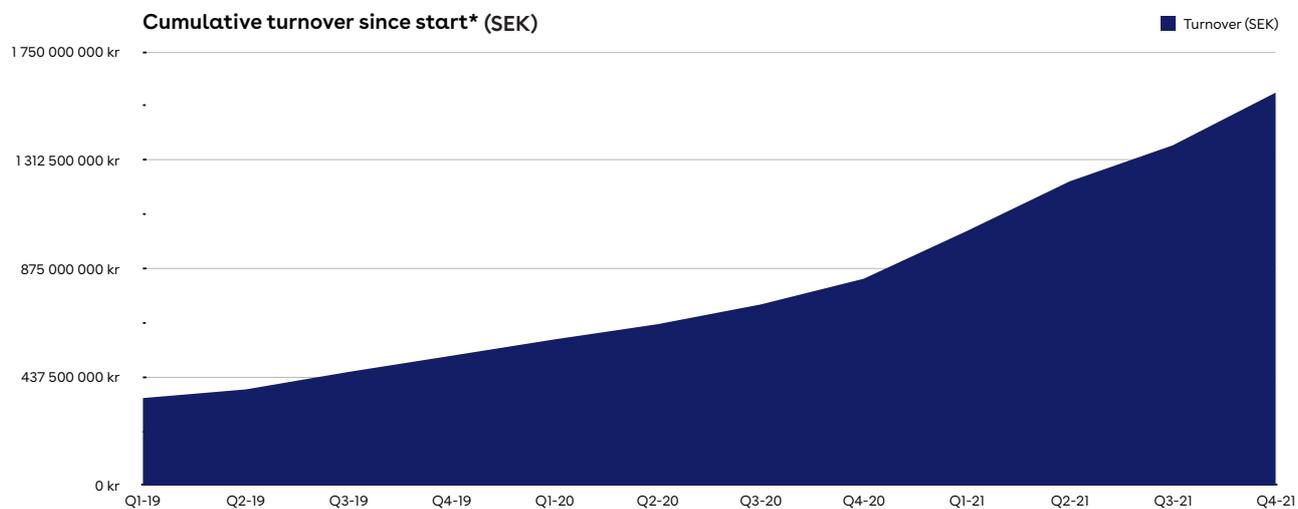
*Based on back office data



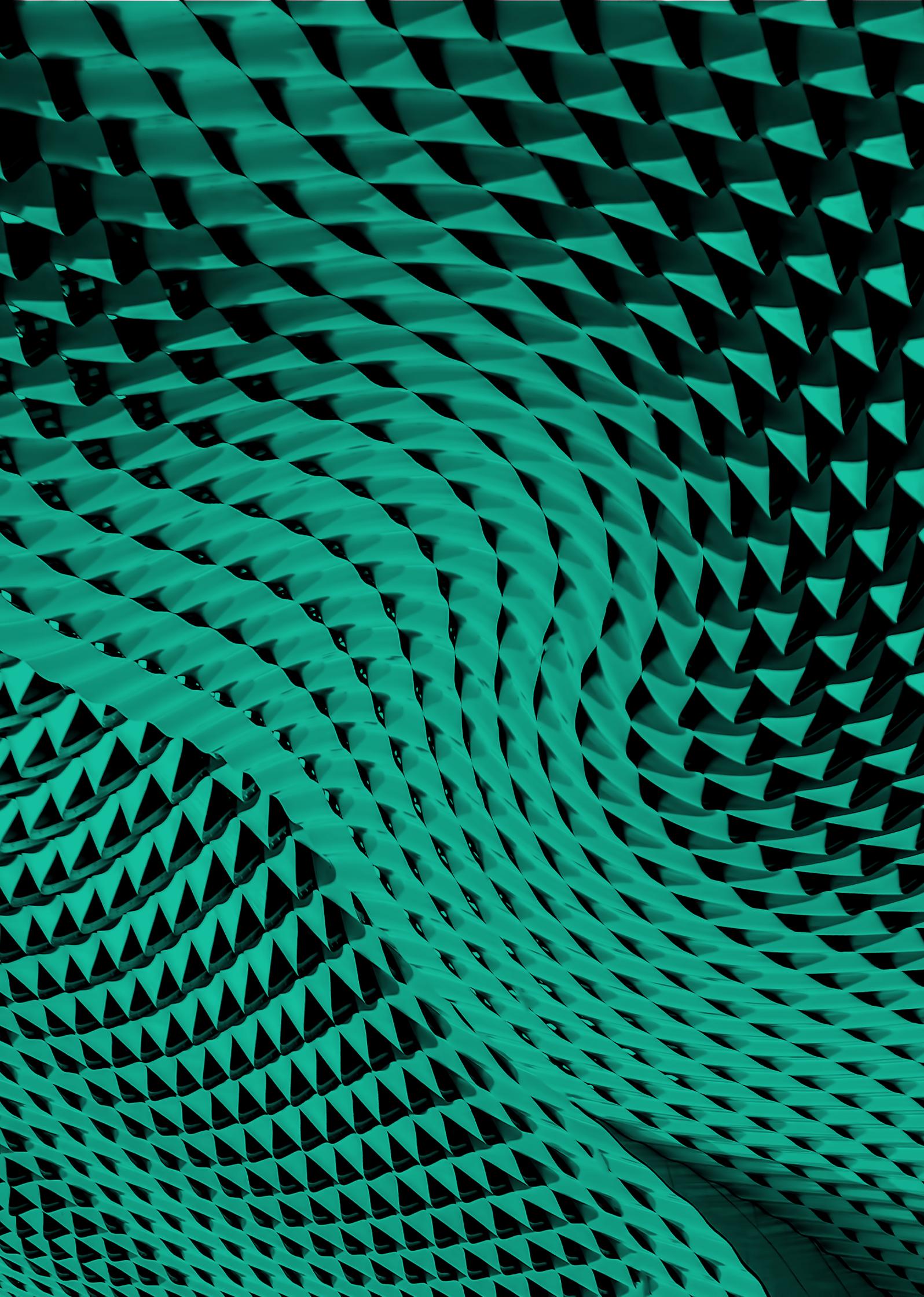
Cumulative registrations since start*



Cumulative turnover since start* (SEK)



*Based on back office data





CEO Letter

Dear shareholder,

This is shareholder update #49, welcome to 2022.

Innovation continues in bear market

What goes up, must come down. Volatility in the crypto markets is as old as crypto. As of writing on 14th of February 2022, Bitcoin is trading at around USD 42 000 and Ethereum at around USD 2 850⁴. The coming months will determine if a prolonged bear market will be realized or if recovery takes shape to find its way to new all-time highs. Fundamentally we see only progress, venture capital investments into crypto companies reached a record in Q4. Many of the projects and companies now have funding to last any prolonged downturn and innovation will therefore continue to keep pace. For Safello the main challenge is that in a bear market volatility is low. Such a scenario will push us to accelerate our path to business models that are less dependent on this volatility. At the same time, we identify new business opportunities that were not mentioned in our prospectus.

Institutional interest driven by consumer demand and upcoming MiCA regulation

For the first time since 2017 we witnessed a positive sentiment change from financial institutions (FIs) and larger corporations towards cryptocurrencies during the past year. While this interest may not materialize in large investments in the short term, the clock is ticking for FIs to position themselves for the upcoming MiCA regulation now that the European Council has reached an agreement⁵ that will be the basis for the upcoming negotiations between the EC and the European Parliament. Following these negotiations the MiCA regulation can be adopted.

Safello, which has been registered with the SFSA for almost 9 years, with practical experience serving hundreds of thousands of retail customers and with an operational custody model, is uniquely positioned to help FIs in this transition. Preparations are underway to reimage Safello Partners (<https://safello.com/partners>) to accomplish this.

⁴ <https://coinmarketcap.com/>

⁵ https://www.consilium.europa.eu/en/press/press-releases/2021/11/24/digital-finance-package-council-reaches-agreement-on-mi-ca-and-dora/?utm_source=dsms-auto&utm_medium=email&utm_campaign=Digital+finance+package%2a+Council+reaches+agreement+on+MiCA+and+DORA



Q4 recovery was strong

As we highlighted in our previous report, Q3 results had to be viewed in light of the summer cycle and therefore Q4 would typically be a strong quarter. We can now confirm this to be the case again in Q4 2021. Not only did we recover strongly, we achieved a record net turnover of SEK 215.0 million and 68,303 orders. The long term growth trend that started with the introduction of our Swish and BankID setup in 2018 remains intact.

Consistent mobile growth

Following the introduction of Safello Wallet, multi-crypto support and increased functionality in Safello Mobile, we have seen strong growth in the amount of users of the mobile apps (iOS/Android) as well as in the order volumes coming from the app. Our mission to become a mobile-first platform has paid off and our focus on mobile allows for quick iterations. To illustrate this point, Safello has released 17 updates of Safello Mobile in 2021 alone. Our 4.6 AppStore rating can be seen as another validation of the success of this approach.



Multi-crypto impact

With the introduction of Polkadot (DOT), Chainlink (LINK) and Polygon (MATIC) Safello has grown its support to five different cryptocurrencies, and adding these pairs had a meaningful positive impact on turnover. In the second half of December the recently added cryptocurrencies accounted for around 5% of the total order volume. At certain times the order count on a daily basis exceeded that of Ethereum (ETH). Going forward we will continue to add new cryptocurrencies.

Education and discussion

For those who want to join the active debate, please join our Discord channel (<https://discord.gg/myBUywMbE5>). We also restarted The Safello Show (<https://www.youtube.com/c/SafelloAB/videos>) to keep all our stakeholders informed on the latest developments in the world of crypto and our company. The plan for 2022 is to use our channels to tell the Safello story in a more impactful way and we invite all stakeholders to be active participants on this journey.

Thank you for supporting Safello in its mission to accelerate the adoption of cryptocurrency.

Let's see what 2022 has in store for us!

Frank Schuil
CEO and Co-Founder of Safello



Development during the fourth quarter of 2021

The cryptocurrency market during the quarter

To sum up, 2021 was a remarkable year for the crypto industry. Besides the surge in innovation, as a result of capital flowing into the ecosystem, the amount of new institutional participants into the NFT and DeFi spaces have increased significantly leading to a furthering of the digital asset class, both financially and technically.

Despite bitcoin's reaching a new ATH (all time high) of USD 68,990 on the 10th of November, it closed the year at around USD 46k. Still, the largest cryptocurrency in terms of market cap rose from around USD 29k since the start of 2021.

Given the ecosystem's growth into sectors such as NFTs and the surge of verification fees on the Ethereum blockchain, Safello saw an opportunity to introduce additional coins to our offering. The Polygon (MATIC) ecosystem/segment, a so-called Layer-2 solution for Ethereum, is compatible with an array of metaverse projects, such as Decentraland and the Sandbox. Matic is also used to transact NFTs on OpenSea as it enables lower transaction/gas fees than Ethereum.

The Polkadot (DOT) platform allows for various types of blockchains to transfer data and value, thus paving the way for decentralized Web3 applications. At the time of writing DOT is also the world's 12th⁵ largest cryptocurrency, with a market cap of around USD 18 bn. As a result of the exponential growth with market participants opting to use these dApp platforms rather than Ethereum, we also decided to introduce Chainlink, the crypto industry standard oracle, a platform that provides smart contracts with real-world data. With the above, we allow our customers to gain exposure to the rapidly evolving sector of crypto infrastructure.

While the crypto ecosystem is experiencing rapid development on many frontiers there are still a number of issues to be resolved over the coming years, mainly in creating regulatory clarity so that crypto currency companies in various countries have a level playing field.

Safello's order volume during the fourth quarter

In the fourth quarter, order volumes⁶ rose to SEK 212.8 million (103.8), which is the highest level for a quarter to date and an increase of +105% compared with the fourth quarter of 2020. The order volume was SEK 68.4 million (28.6) in October, SEK 76.9 million (33.9) in November and SEK 67.5 million (41.3) in December.

⁵ as of 14 Feb 2022, Source: <https://coinmarketcap.com/>

⁶ based on Safello's internal data



Significant events during 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.

On 21 October, the Swedish Financial Supervisory Authority (SFSA) initiated an investigation into how Safello follows the Anti-Money Laundering rules. The investigation is a general investigation and according to SFSA it encompasses Safello in its capacity as one of Sweden's two market leading cryptocurrency exchanges.

On 22 November, Safello launched Safello Subscription, which allows customers to connect their bank accounts for monthly purchases of cryptocurrencies, similar to a monthly savings scheme.

On 25 November and 15 December, Safello introduced the possibility for customers to buy, store and sell Chainlink, and Polygon and Polkadot respectively.

On 21 December, it was announced that Emelie Mortiz will start as COO for Safello in March 2022, and that Andreas Kennemar will transfer into a role as Chief Business Development Officer. Emelie brings important experience from the financial industry, including positions at Avanza, Carnegie and Fondab. Andreas, with extensive experience from the crypto industry as well as senior positions at Swedbank and Handelsbanken, will focus on developing and professionalizing the business offering.

Significant events after the end of the quarter

On 20 January 2022 Safello engaged ABG Sundal Collier ASA as liquidity provider in Safello's share listed on Nasdaq First North Growth Market.



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

Net turnover

Net turnover for the fourth quarter amounted to SEK 215.0 million (106.5). 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 8.9 million (6.0) and the gross margin to 4.1%. Gross profit and gross margin are affected by the customer mix because the fee level differs between the customer groups. The lowered fee levels, and the lower fees during the marketing campaign affected the gross margin negatively, as described in the press release on October 11th. 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 15.1 million (4.3). Of these, personnel costs amounted to SEK 7.6 million (2.1) 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 7.6 million (2.2), of which around SEK 2.4 million are related to the marketing campaign.

Operating profit/loss

Operating result for the fourth quarter amounted to SEK -7.2 million (1.2).

Net profit/loss

Net profit for the fourth quarter amounted to SEK -7.2 million (1.2).

Financial standing

Goodwill and intangible fixed assets

Goodwill amounted to SEK 6.9 million as of 31 December 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 31 December 2021, the investments amounted to SEK 10.1 million (0.0).

Intangible fixed assets amounted to SEK 3.0 million (4.9) as of 31 December 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 2020 or 2021.



Inventories

Inventories refer to cryptocurrencies for sale in the business. As of 31 December 2021, inventories amounted to SEK 4.3 million (1.7). The stock of cryptocurrencies is traded with high frequency and Safello holds on average an inventory of bitcoin, ether, polkadot, polygon and chainlink. Consequently, increases or decreases in value affect gross profit. During the third quarter, changes in the value of cryptocurrency inventory contributed SEK 0.5 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 31 December 2021, current receivables amounted to SEK 5.9 million (4.5).

Cash and bank balances

Cash as of 31 December 2021 amounted to SEK 34.6 million (17.0). Cash and bank balances exclude crypto holdings and liquidity held at crypto liquidity providers.

Equity

As of 31 December 2021, equity amounted to SEK 55.9 million (22.7). The change since 31 December 2020 is mainly related to the new share issue in connection with the listing, the net loss for the year, 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 31 December 2021, current liabilities amounted to SEK 7.0 million (5.4).

Cash flow

Cash flow from operating activities amounted to SEK -4.3 million (SEK 1.8 million in the fourth quarter of 2020). Changes in working capital had an impact on cash flow by SEK +0.3 million (-1.8).

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

Cash flow from financing activities amounted to SEK 0.0 million (10.9).

Cash flow for the fourth quarter amounted to SEK -7.5 million (10.4).





Income statements

Group

Group (kSEK)	2021-10-01 -2021-12-31 (3 months)	2020-10-01 -2020-12-31 (3 months)	2021-01-01 -2021-12-31 (12 months)	2020-01-01 -2020-12-31 (12 months)
Net turnover	214,954	106,489	757,898	315,007
Other income	4	0	5	-
Cost of goods sold	-206,049	-100,531	-720,998	-299,320
Gross result	8,909	5,957	36,905	15,686
Other operating expenses	-7,554	-2,211	-25,398	-5,786
Personnel costs	-7,567	-2,103	-22,738	-7,102
	-15,121	-4,314	-48,135	-12,888
EBITDA	-6,212	1,643	-11,230	2,798
Depreciation of tangible and intangible assets	-968	-485	-3,445	-1,928
Operating profit/loss	-7,180	1,158	-14,675	870
Result from financial items				
Other interest income and similar profit/loss items	-	17	-	18
Interest expense and similar profit/loss items	-2	-4	-61	-5
Profit/loss after financial items	-7,182	1,171	-14,736	882
Tax	-57	-	-57	-
Net profit/loss for the period	-7,240	1,171	-14,794	882
Attributable to:				
Parent company's shareholders	-7,240	1,171	-14,794	882
Net profit/loss for the period	-7,240	1,171	-14,794	882



Balance Sheets

Group

Group (kSEK)	2021-12-31	2020-12-31
Assets		
Goodwill	6,944	-
Cryptocurrency	10,135	-
Other intangible assets	2,981	4,872
Tangible fixed assets	284	42
Financial assets	401	69
Inventories	4,253	1,704
Current receivables	3,262	4,484
Cash and bank balances	34,602	17,008
Total assets	62,863	28,178
Equity and liabilities		
Equity	55,883	22,742
Current liabilities	6,980	5,436
Total equity and liabilities	62,863	28,178



Changes in equity

Group

Group (kSEK)	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	-	43,428	-32,563	10,964	10,964
Ongoing share issue		7	10,889		10,896	10,896
Result for the period				882	882	882
Equity 2020-12-31	99	7	54,317	-31,681	22,742	22,742
Bonus issue	742			-742	0	0
Registered new share issue	7	-7			0	0
Non-cash issue	25		6,725		6,750	6,750
New issue	150		40,350		40,500	40,500
Warrants issued				684	684	684
Result for the period				-14,794	-14,794	-14,794
Equity 2021-12-31	1,022	0	101,392	-46,532	55,883	55,883



Cash flow statements

Group

Group (kSEK)	2021-10-01 -2021-12-31 (3 months)	2020-10-01 -2020-12-31 (3 months)	2021-01-01 -2021-12-31 (12 months)	2020-01-01 -2020-12-31 (12 months)
Operations				
Operating result	-7,121	1,159	-14,675	870
Adjustments for items not included in cash flow	156	665	3,445	2,047
Received interest	-	18	-	18
Paid interest	-176	-5	-176	-5
Paid income tax	-136	-	-155	-56
Cash flow from operating activities before changes in working capital	-7,278	1,836	-11,561	2,873
Net change in working capital	290	-1,815	439	23
Cash flow from operations	-6,988	21	-11,121	2,897
Cash flow from investment activities	-506	-495	-12,469	-13
Cash flow from financing activities	0	10,896	41,184	10,868
Cash flow for the period/change in liquid funds	-7,493	10,422	17,594	13,752
Liquid funds at beginning of period	42,095	6,818	17,008	3,488
Exchange rate difference in liquid funds	-	-232	-	-232
Liquid funds at end of period	34,602	17,008	34,602	17,008



Income statements

Parent company

Parent company (kSEK)	2021-10-01 -2021-12-31 (3 months)	2020-10-01 -2020-12-31 (3 months)	2021-01-01 -2021-12-31 (12 months)	2020-01-01 -2020-12-31 (12 months)
Net turnover	4,384	-	4,384	-
Other income	4	-	4	-
Cost of goods sold	-410	-	-411	-
Gross result	3,978	-	3,977	-
Operating expenses	-1,809	-1,687	-15,032	-1,797
Personnel expenses	-2,318	-1,826	-6,953	-2,417
	-4,127	-3,512	-21,985	-4,213
EBITDA	-149	-3,512	-18,008	-4,213
Depreciation of tangible and intangible assets	0	0	0	0
Operating profit/loss	-149	-3,512	-18,008	-4,213
Result from financial items				
Interest expense and similar	0	-3	-59	-3
Profit after financial items	-149	-3,515	-18,067	-4,216
Appropriations	895	5,040	895	5,040
Net profit/loss for the period	746	1,525	-17,172	824



Balance sheets

Parent company

Parent company (kSEK)	2021-12-31	2020-12-31
Assets		
Other intangible assets	10,123	-
Financial assets	29,934	21,184
Current receivables	6,786	6,254
Cash and bank balances	23,696	11,140
Total assets	70,538	38,578
Equity and liabilities		
Equity	68,153	37,391
Current liabilities	2,386	1,187
Total equity and liabilities	70,538	38,578



Changes in equity

Parent company

Parent company (kSEK)	Share capital	Unregistered share capital	Share premium reserve	Non-restricted equity	Total Equity
Equity 2020-01-01	99	-	43,428	-17,856	25,671
Ongoing new share issue		7	10,889		10,896
Result for the period				824	824
Equity 2020-12-31	99	7	54,317	-17,032	37,391
Bonus issue	742			-742	0
Registered new share issue	7	-7			0
Non-cash issue	25		6,725		6,750
New share issue	150		40,350		40,500
Warrants issued				684	684
Periodens resResult for the periodultat				-17,172	-17,172
Equity 2021-12-31	1,022	0	101,392	-34,262	68,153



Cash flow statements

Parent company

Parent company (kSEK)	2021-10-01 -2021-12-31 (3 months)	2020-10-01 -2020-12-31 (3 months)	2021-01-01 -2021-12-31 (12 months)	2020-01-01 -2020-12-31 (12 months)
Operations				
Operating result	-90	-2,099	-18,008	-4,213
Adjustments for items not included in cash flow	897	10	895	10
Received interest	-	-	-	-
Paid interest	-59	-3	-59	-3
Paid income tax	18	-	-	17
Cash flow from operations before changes in working capital	766	-2,092	-17,172	-4,189
Net change in working capital	-4,100	-2,961	667	-788
Cash flow from operations	-3,334	-5,053	-16,505	-4,977
Cash flow from investment activities	-20	1	-12,123	0
Cash flow from financing activities	0	15,936	41,184	15,936
Cash flow for the period/change in liquid funds	-3,354	10,884	12,556	10,959
Liquid funds at beginning of period	27,049	266	11,140	191
Exchange rate difference in liquid funds	-	-10	-	-10
Liquid funds at end of period	23,696	11,140	23,696	11,140



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 fourth quarter was 31 (15). The number of employees at the end of the fourth quarter was 32 (15). The average number of employees (full-time positions excluding consultants) during the fourth quarter was 29 (11).

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 31 December 2021, the funds held on behalf of customers (off balance sheet) amounted to SEK 45.0 million.

Shareholders and Share Capital

On 31 December 2021, Safello Group AB had 2,534 shareholders.

Safello's share capital on 31 December 2021 amounted to SEK 1,022,480 (105,935).

The number of shares was 20,449,600. The average number of shares in the quarter was 20,449,600 (100,309).

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 unit.

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.

Dividends

The Board has decided to propose to the AGM that no dividends are paid to the shareholders for the year 2021.

Annual General Meeting

The Annual General Meeting will be held on 27 April 2022 in Stockholm.

Financial Calendar

29 March 2022	Publication of Annual Report for 2021 on the company website
27 April 2022	AGM
13 May 2022	Interim report for the first quarter
26 August 2022	Interim report for the second quarter
18 November 2022	Interim report for the third quarter
24 February 2023	Year-end report 2022

Certified Adviser

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

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