

Stockholm 2022

Interim Report

Second Quarter 2022 (1 April - 30 June 2022)



High Level of Activity Despite Market Turbulence

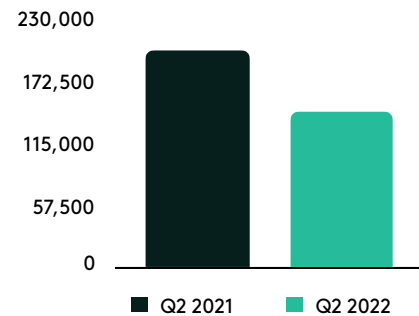
Summary of the second quarter (Apr-Jun 2022)

- Net turnover decreased by -28% and amounted to SEK 146.7 million (202.1).
- Gross profit decreased by -27% and amounted to SEK 6.8 million (9.4).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -6.4 million (-4.8).
- Operating profit amounted to SEK -12.6 million (-5.9).
- Net profit/loss in the period amounted to SEK -12.6 million (-5.9).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK -0.62 (-0.29).
- Earnings per share based on the average number of shares after potential dilution (21,440,668 shares) amounted to SEK -0.59 (-0.28).
- The number of executed orders decreased by -4% to 56,980 orders (59,658).

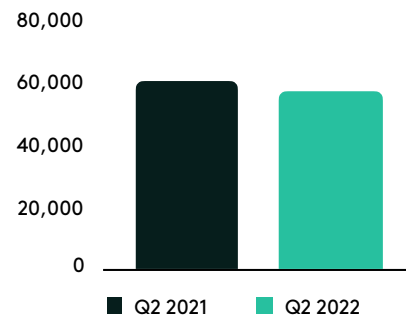
Summary of the first six months (Jan-Jun 2022)

- Net turnover decreased by -13% and amounted to SEK 350.9 million (396.8).
- Gross profit decreased by -23% and amounted to SEK 15.3 million (19.9).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -9.5 million (-3.5).
- Operating profit amounted to SEK -16.7 million (-5.0).
- Net profit/loss in the period amounted to SEK -16.7 million (-5.0).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK -0.81 (-0.25).
- Earnings per share based on the average number of shares after potential dilution (21,440,668 shares) amounted to SEK -0.78 (-0.24).

Volume from crypto trading (KSEK)



Number of crypto orders



- The number of executed orders in the period increased by 4% to 121,821 orders (117,061).
- The Group had a cash balance of SEK 24.5 million at the end of the second quarter (compared to SEK 31.9 million at year end 2021) and an additional SEK 4.9 million (10.1) in liquid crypto assets. The decrease in crypto assets compared to year end 2021 is attributable to a write-down to market value at the end of the second quarter amounting to SEK 5.3 million (0.0). Investments in crypto assets are mainly booked in the parent company's balance sheet.



Significant events during the second quarter

Safello held its Annual General Meeting (AGM) in Stockholm on April 27, 2022. A summary of all decisions is available in the AGM report from April 27 on the company's website.

The AGM resolved, among other things, on the re-election of Frank Schuil, Jacob Jacobsson, Sepehr Alavi, Knut Pedersen and Johan Lorenzen as Board of Directors and the re-election of Jacob Jacobsson as Chairman of the Board. Safello announced in March that the Certified Advisor will be changed in July from Corpura Fondkommission AB to Amudova AB and because of that Christina Ploom, CEO and Senior Advisor at Amudova AB, was not available for re-election. Christina Ploom is therefore no longer a member of the Board of Directors.

Safello Group AB has terminated the agreement with ABG Sundal Collier ASA ("ABGSC") that ABGSC will act as a liquidity guarantor for Safello's share, which is listed on the Nasdaq First North Growth Market. The commitment ends on 31 August 2022, which will be the last day for ABGSC's service.

Since Q4 2021, Safello was the subject of an investigation by the Swedish Financial Supervisory Authority ("SFS", in Swedish Finansinspektionen) regarding the company's compliance with the money laundering regulations. On June 15, SFS announced its decision that there is no reason for SFS to take further action in connection with the investigation. The case was therefore written off.

In March, Safello AB (a wholly owned subsidiary of Safello Group AB) and Avanza Bank AB (a wholly owned subsidiary of Avanza Bank Holding AB) entered into a letter of intent (LOI) regarding a potential collaboration on cryptocurrency services with the ambition to examine a potential partnership for distribution of Safello's services via Avanza's platform. Safello was informed on June 16 that Avanza decided to cancel the process. The reason for the termination is that Avanza does not think that the market for crypto assets is currently sufficiently regulated for Avanza to be able to offer direct crypto investments via its platform.

In June, Safello relaunched Safello Business, a service aimed at companies that want to invest, exchange, store or withdraw digital assets. The new Safello Business has a smoother and faster onboarding process and technical updates for a better user experience.

During the second quarter, Safello adjusted the organization to strengthen the resistance to reduced activity in the market in the longer term and to save costs. The total number of employees will decrease by five FTEs until the end of the year and will gradually reduce the cost base through the fourth quarter 2022. Furthermore, a review of external costs has been made to minimize external costs.

In the second quarter, Safello has valued its intangible crypto-assets at market value as of June 30 to give a fair picture as of the reporting date. The company has no plans to liquidate the assets.

Significant events after the end of the reporting period

In July, Safello introduced a fee for withdrawing Bitcoin from Safello Wallet to other wallet addresses. Withdrawals were before free of charge but a fee has been introduced to be more in line with other players in the market.

The change of Certified Adviser from Corpura Fondkommission AB to Amudova AB, which was announced in March, was enforced on July 19.

Otherwise no significant events after the end of the second quarter.



Results Summary for the Group and the Parent company

Below are key ratios for the period, accumulated and the same periods prior year as well as the most recent full year.

Results Summary

Group

	2022 Apr-Jun (3 months)	2021 Apr-Jun (3 months)	2022 Jan-Jun (6 months)	2021 Jan-Jun (6 months)	2021 Jan-Dec (12 months)
Net turnover (KSEK)	145,666	202,105	350,852	396,809	757,898
Gross Profit (KSEK)	6,814	9,372	15,323	19,857	36,905
EBITDA (KSEK)	-6,402	-4,822	-9,501	-3,521	-11,230
Operating Profit/loss (KSEK)	-12,641	-5,862	-16,667	-5,044	-14,675
Profit/loss after financial items (KSEK)	-12,642	-5,860	-16,667	-5,042	-14,736
Balance sheet totals (KSEK)	46,697	71,189	46,697	71,189	62,863
Acid-test ratio (%)	402 %	1,026 %	402 %	1,026 %	542 %
Equity/Asset ratio (%)	84 %	92 %	84 %	92 %	89 %

Results Summary

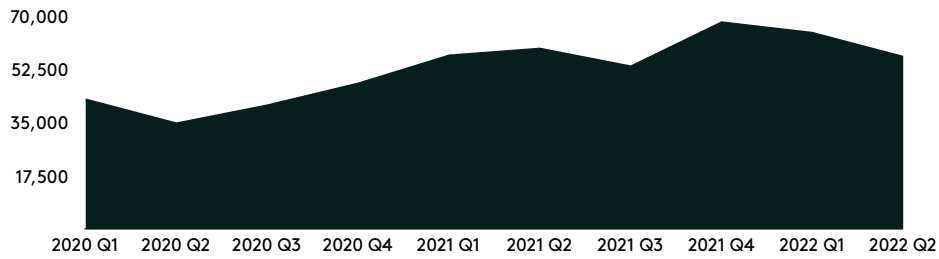
Parent Company

	2022 Apr-Jun (3 months)	2021 Apr-Jun (3 months)	2022 Jan-Jun (6 months)	2021 Jan-Jun (6 months)	2021 Jan-Dec (12 months)
Net turnover (KSEK)	1,230	6	2,485	11	4,384
Gross Profit (KSEK)	3,501	6	4,759	11	4,388
EBITDA (KSEK)	-630	-9,091	-3,266	-14,532	-18,008
Operating Profit/loss (KSEK)	-5,927	-9,091	-8,562	-14,532	-18,008
Profit/loss after financial items (KSEK)	-5,715	-9,090	-8,350	-14,530	-18,067
Balance sheet totals (KSEK)	62,117	73,282	62,117	73,282	70,538
Acid-test ratio (%)	1,150 %	1,743 %	1,150 %	1,743 %	1,278 %
Equity/Asset ratio (%)	96 %	97 %	96 %	97 %	97 %

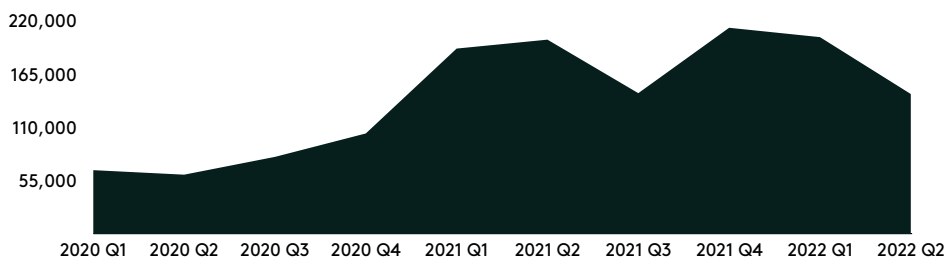


Key Metrics and Graphs

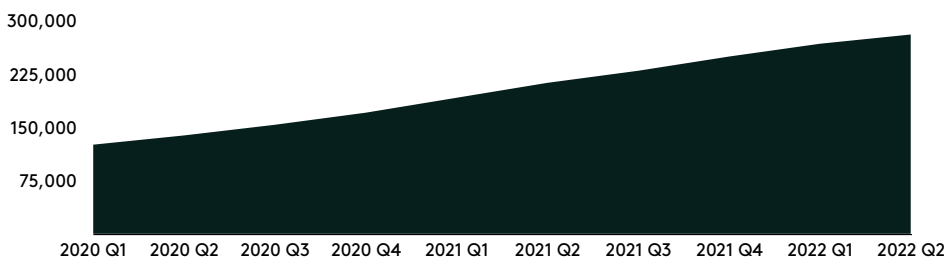
Number of Crypto orders per Quarter



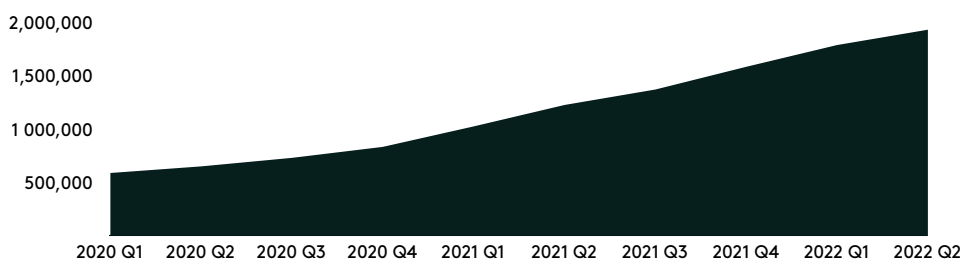
Volume per Quarter



Number of registrations cumulatively since start 2013



Cumulative volume since start 2013





CEO Letter



Dear shareholder,

This is shareholder update #51. Everything changes, nothing has changed.

Resource limitations, prolonged bear markets, stiff competition, regulatory uncertainty and scrutiny all contributed to grow Safello into the Safe Fellow that our over 281,000 users have come to trust.

In response to the macro picture, we took swift steps to reduce our burn rate. A good portion of those cost cuts will come into effect in the fourth quarter as termination timelines delay impact. Safello introduced withdrawal fees on transactions in the beginning of July in an effort to improve revenue. This fee will improve the bottom line for the third quarter if user churn remains stable.

Survival in this market requires restraint to avoid unnecessary exposure. TerraUSD's (UST) downfall serves as a reminder of this. Safello boasted the phrase *Boring is Good* in our IPO campaign for good reason and we take pride in clearing the recent audit by the Swedish Supervisory Authority (Finansinspektionen) to showcase that we stand for what we preach.

While boring is the foundation, fun should be our middle name. Phase I and II of our rebranding have now been completed to align with this goal to push ahead. We even bought some NFTs (<https://opensea.io/safello> - pro tip, the arcade NFT is an actual game!) and are now helping NFT companies to connect to fiat rails. The 3rd iteration of Safello Business further reduced the friction of onboarding companies.

Crypto-as-a-Service (CaaS) suffered a blow because Avanza canceled the partnership discussions under the LOI. Their reasoning was the lack of regulatory clarity. On the one hand this delays our collaboration with financial institutions (FIs). On the other hand it extends the timeline where competition from Sweden's FIs is delayed until MiCA is in place. It presents an opportunity for Safello to deepen its relationship with customers, which already represents over 2.5% of Sweden's population. Phase III of our rebranding is focused on this.

Meanwhile the underlying assumptions to launch CaaS remain strong: FIs are by and large not prepared to offer crypto services. And the MiCA regulation will require additional iterations to keep up with the pace of the market, leaving more room for Safello to stay ahead and build crypto as a financial sector of its own.

As we look ahead, our focus will be to go back to our roots of organic growth and optimize the revenue-per-employee ratio. We understand that our moat is trust and want to leverage this to find innovative solutions that are hard to copy while incentivizing retail customers to stick with the *safest fellow* in crypto.

Kind regards,

Frank Schuil
CEO & co-founder Safello



Business Overview

Safello offers a brokerage platform and enables individuals and companies to securely buy, store and sell cryptocurrencies such as Bitcoin (BTC), Ethereum (ETH), Chainlink (LINK), Polkadot (DOT) and Polygon (MATIC) with SEK and EUR. The name Safello comes from "Safe Fellow", as in a "safe person" to follow into the cryptocurrency economy. The company's philosophy is to be a reliable guide to new users to make them feel safe when they enter the market, while preserving their financial freedom. This basic principle governs the Company's decision-making today.

As of June 30, Safello had over 281,000 customers (268,000 customers per 31 of March) and handled over 715,000 orders (658,000), which corresponds to a volume of over SEK 1,933 million (1,789)¹.

In the second quarter, order volumes² amounted to SEK 144.5 million, compared with SEK 200.6 million in the same period last year, which corresponds to a decrease of -28%. The order volume was SEK 48.1 million (61.3) in April, SEK 49.3 million (84.9) in May and SEK 47.0 million (54.5) in June.

Number of
customers
cumulatively
per 2022-06-30

281,000

Numbers of orders
cumulatively per
2022-06-30

715,000

Volume
cumulatively per
2022-06-30 (MSEK)

1,933

Number of
customers
cumulatively
per 2022-03-31

268,000

Numbers of orders
cumulatively per
2022-03-31

658,000

Volume
cumulatively per
2022-03-31 (MSEK)

1,789

¹ Based on Safellos internal data, since inception in 2013

² Based on Safellos internal data



Comments about the period

Results and development during the Second Quarter 2022 (Group)

Net turnover

Net turnover for the first quarter amounted to SEK 145.7 million (SEK 202.1 million for the corresponding period prior year). Net turnover refers to Safello's sale of cryptocurrency in inventory, fees on completed transactions and some revenue from affiliates.

Other operating income

Other operating income in the period amounts to SEK 2.3 million (0.0) and refers to recovered VAT in the parent company Safello Group AB for financial year 2021.

Gross profit and gross margin

Gross profit amounted to SEK 6.8 million (9.4) and the gross margin to 4.6% (4.6). The gross margin excluding capitalized work for own account, other operating income and inventory change amounts to 4.0% (4.6). The decrease in the gross margin is mainly due to a reduction in the maximum fee from 7% to 5% for cryptocurrency trading during the third quarter of 2021, but also due to the introduction of a new level-based fee structure in February 2022 where all purchases and sales are measured at an aggregate rolling 12-month period. The new fee structure provides additional transparency and simplifies the trading process for customers, where customers automatically receive a more favorable fee level depending on trading volume, compared with the previous structure where the application was needed to obtain a premium membership. Gross profit is also affected by changes in the value of cryptocurrency in stock. See also "Inventory" below for more information.

Operating expenses

Total operating expenses during the quarter amounted to SEK 13.2 million (14.2). Of these, personnel costs amounted to SEK 9.7 million (5.1), which corresponds to an increase of +90%. The increase is mainly a result of a higher number of employees. The remaining part consists of other operating expenses amounting to SEK 3.5 million (9.1). The fact that operating expenses were higher in the corresponding period last year is due to costs for the IPO that was carried out in the spring of 2021.

Operating profit/loss

Operating profit for the first quarter amounted to SEK -12.6 million (-5.9).

Profit/loss after tax

Profit/loss after tax for the first quarter amounted to SEK -12.6 million (-5.9).

Financial standing and Cash Flow

Goodwill and intangible fixed assets

Goodwill amounted to SEK 6.1 million as of 30 June (SEK 6.9 million as of 31 December 2021) and represents the surplus value in connection with the acquisition of Rational Money AB minus depreciation. Goodwill amortization is made linearly over 5 years.



Cryptocurrencies classified as intangible assets are investments in liquid bitcoin and ether holdings booked at acquisition value. As of June 30, the acquisition value of the investments amounted to SEK 10.1 million (10.1), while the market value amounted to SEK 4.8 million. As the decline is considered significant, a write-down has been made of SEK 5.3 million (0.0) as of June 30, and the book value at the end of the second quarter amounts to SEK 4.9 million (10.1), which corresponds to the market value of the assets per June 30. Acquisitions in the period stands for SEK 0.1 million (0.0) of that value. Cryptocurrency constitutes a fluctuating market and given that it is deemed uncertain how quickly the market can recover, in relation to when the assets will be liquidated, a write-down has been made to market value, as it is deemed most fair at the time of valuation.

Intangible fixed assets amounted to SEK 3.0 million (3.0) as of 30 of June. The balance sheet item refers to capitalized expenses for development work in Safello Technology Development AB. In the second quarter a capitalisation was made of SEK 0.7 million (0.0).

Inventory

Inventories refers to cryptocurrencies for sale in the business. As of 30 June, inventories amounted to SEK 2.0 million (4.3). The stock of cryptocurrencies is traded with high frequency and Safello holds on average an inventory of bitcoin, ether, polkadot, polygon and chainlink. Inventory is valued at acquisition value and the change in the period affects the gross profit with SEK -2.0 million compared with SEK -0.4 million in the corresponding period in prior year.

Current 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 June, current receivables amounted to SEK 5.5 million (6.0).

Cash and cash equivalents

Cash as of 30 June amounted to SEK 24.5 million (31.9). Cash and cash equivalents exclude crypto holdings and liquidity held at crypto liquidity providers, hence these are classified as current receivables.

Equity

As of June 30, equity amounted to SEK 39.2 million (55.9). The change of SEK -16.7 million since December 31 2021 is related to the result in the period.

Current liabilities

Current liabilities consist of ongoing crypto transactions, accounts payable and other liabilities such as VAT, taxes and fees, holiday pay liabilities and VAT. As of June 30, current liabilities amounted to SEK 7.5 million (7.0).

Cash flow

Cash flow from operating activities amounted to SEK -2.9 million (SEK -2.5 million in the second quarter of 2021). Changes in working capital had an impact on cash flow by SEK 3.5 million (2.3).

Cash flow from investing activities amounted to SEK -0.8 million (-0.1) and cash flow from financing activities amounted to SEK 0.0 million (41.2). Total cash flow for the first quarter amounted to SEK -3.7 million (38.5).



Income statement in summary

The Group

Amount in KSEK

	2022-04-01 -2022-06-30 (3 months)	2021-04-01 -2021-06-30 (3 months)	2022-01-01 -2022-06-30 (6 months)	2021-01-01 -2021-06-30 (6 months)	2021-01-01 -2021-12-31 (12 months)
Net sales	145,666	202,105	350,852	396,809	757,898
Activated work on own account	701	-	939	-	-
Other operating income	2,266	-	2,635	-	5
Cost of goods sold	-141,819	-192,733	-339,108	-376,952	-720,998
Gross profit	6,814	9,372	15,323	19,857	36,905
Operating expenses	-3,466	-9,108	-6,561	-14,651	-25,398
Personnel Expenses	-9,75	-5,086	-18,263	-8,727	-22,738
EBITDA	-6,402	-4,822	-9,501	-3,521	-11,230
Depreciation and impairment of intangible and tangible fixed assets	-6,240	-1,040	-7,166	-1,523	-3,445
Operating profit/loss	-12,641	-5,862	-16,667	-5,044	-14,675
Interest income and similar items	-	2	-	2	-
Interest expenses and similar items	-1	-	-1	-	-61
Profit/loss after financial items	-12,642	-5,860	-16,667	-5,042	-14,736
Tax on profit/loss in the period	-	-	6	-	-57
Net profit/loss in the period	-12,642	-5,860	-16,661	-5,042	-14,794
Attributable to:					
The parent company's shareholders	-12,642	-5,860	-16,661	-5,042	-14,794
Minority interests	-	-	-	-	-



Balance sheet in summary

The Group

Amount in KSEK

	2022-06-30	2021-06-30	2021-12-31
Assets			
Goodwill	6,111	7,777	6,944
Cryptocurrency	4,901	-	10,135
Other intangible assets	2,971	3,926	2,981
Tangible fixed assets	309	190	284
Financial assets	333	69	401
Total fixed assets	14,624	11,963	20,745
Inventory	2,022	2,258	4,253
Current receivables	5,489	3,400	5,994
Short-term investments	18	42	-
Cash and cash equivalents	24,544	53,525	31,870
Total current assets	32,073	59,226	42,117
Total assets	46,697	71,189	62,863
Equity and liabilities			
Share capital	1,022	1,022	1,022
Other equity	38,199	64,611	54,860
Total equity	39,221	65,634	55,883
Current liabilities	7,475	5,555	6,980
Total current liabilities	7,475	5,555	6,980
Total equity and liabilities	46,697	71,189	62,863



Changes in equity

The Group

Amount in KSEK

	Share capital	Un-registered share capital	Other contributed capital	Other equity incl. the result for the period	Equity attrib. to parent company's shareholders	Total equity
Equity 2021-01-01	99	7	54,317	-31,681	22,742	22,742
Bonus issue	742			-742	-	-
Registered new issue	7	-7			-	-
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	-	101,392	-46,532	55,883	55,883
Result for the period				-16,661	-16,661	-16,661
Equity 2022-06-30	1,022	-	101,392	-63,193	39,221	39,221



Cash flow statement in summary

The Group

Amount in KSEK

	2022-04-01 -2022-06-30 (3 months)	2021-04-01 -2021-06-30 (3 months)	2022-01-01 -2022-06-30 (6 months)	2021-01-01 -2021-06-30 (6 months)	2021-01-01 -2021-12-31 (12 months)
Operations					
Operating profit/loss	-12,641	-5,862	-16,667	-5,044	-14,675
Adjustment for items not included in cash flow					
Depreciation and write -downs	6,240	1,040	7,166	1,553	3,445
Realization results	-	-	-	-	-
Received interest		2	-	2	-
Paid interest	-1	-	-1	0	-61
Paid income tax	-	-36	6	-18	-172
Net change in working capital	3,537	2,326	3,217	649	-2,390
Cash flow from operations	-2,865	-2,530	-6,279	-2,858	-13,853
Cash flow from investment activities	-805	-111	-1,047	-1,808	-12,469
Cash flow from financing activities	-	41,182	-	41,184	41,184
Cash flow for the period/change in liquid funds	-3,670	38,540	-7,326	36,518	14,862
Cash and cash equivalents at the beginning of the period	28,214	14,986	31,870	17,008	17,008
Cash and cash equivalents at the end of the period	24,544	53,526	24,544	53,526	31,870



Income statement in summary

The parent company

Amount in KSEK

	2022-04-01 -2022-06-30 (3 months)	2021-04-01 -2021-06-30 (3 months)	2022-01-01 -2022-06-30 (6 months)	2021-01-01 -2021-06-30 (6 months)	2021-01-01 -2021-12-31 (12 months)
Net sales	1,230	6	2,485	11	4,384
Other operating income	2,271	-	2,275	-	4
Gross profit	3,501	6	4 759	11	4,388
Operating expenses	-940	-7,709	-2,250	-12,067	-15,443
Personnel Expenses	-3,191	-1,388	-5,775	-2,476	-6,953
EBITDA	-630	-9,091	-3,266	-14,532	-18,008
Depreciation and impairment of intangible and tangible fixed assets	-5,296	-	-5,296	-	-
Operating profit/loss	-5,927	-9,091	-8,562	-14,532	-18,008
Interest income and similar items	212	2	212	2	-
Interest expenses and similar items	-	-	-	-	-59
Profit/loss after financial items	-5,715	-9,090	-8,350	-14,530	-18,067
Appropriations	-	-	-	-	895
Tax on profit/loss in the period	-	-	-	-	-
Net profit/loss in the period	-5,715	-9,090	-8,350	-14,530	-17,172



Balance sheet in summary

The parent company

Amount in KSEK

	2022-06-30	2021-06-30	2021-12-31
Assets			
Cryptocurrency	4,828	-	10,123
Tangible fixed assets	-	-	-
Financial assets	30,684	29,934	29,934
Total fixed assets	35,511	29,934	40,056
Current receivables	16,649	2,341	6,786
Short-term investments	18	-	-
Cash and cash equivalents	9,938	41,006	23,696
Total current receivables	26,605	43,348	30,482
Total assets	62,117	73,282	70,538
Equity and liabilities			
Share capital	1,022	1,022	1,022
Other equity	58,780	69,772	67,130
Total equity	59,803	70,795	68,153
Current liabilities	2,314	2,487	2,386
Total current liabilities	2,314	2,487	2,386
Total equity and liabilities	62,117	73,282	70,538



Changes in equity

The parent company

Amount in KSEK

	Share capital	Unregistered share capital	Share premium reserve	Non-restricted equity incl. the result for the period	Total equity
Equity 2021-01-01	99	7	54,317	-17,032	37,391
Bonus issue	742			-742	-
Registered new issue	7	-7			-
Non-cash issue	25		6,725		6,750
New issue	150		40,350		40,500
Warrants issued				684	684
Result for the period				-17,172	-17,172
Equity 2021-12-31	1,022	-	101,392	-34,262	68,153
Result for the period				-8,350	-8,350
Equity 2022-06-30	1,022	-	101,392	-42,612	59,803



Cash flow analysis in summary

The parent company

Amount in KSEK

	2022-04-01 -2022-06-30 (3 months)	2021-04-01 -2021-06-30 (3 months)	2022-01-01 -2022-06-30 (6 months)	2021-01-01 -2021-06-30 (6 months)	2021-01-01 -2021-12-31 (12 months)
Operations					
Operating profit	-5,927	-9,091	-8,562	-14,532	-18,008
Adjustment for items not included in cash flow					
Depreciation and write-downs	5,296	-	5,296	-	-
Group contributions	-	-	-	-	895
Received interest	212	-	212	-	-
Paid interest	-	2	-	2	-59
Paid income tax	-	-18	-	-18	-
Net change in working capital	-1,181	-943	-9,954	5,244	667
Cash flow from operations	-1,600	-10,050	-13,009	-9 304	-16,505
Cash flow from investment activities	-750	-12	-750	-2,012	-12,123
Cash flow from financing activities	-	41,184	-	41,184	41,184
Cash flow for the period/change in liquid funds	-2,350	31,121	-13,759	29,867	12,556
Cash and cash equivalents at the beginning of the period	12,288	9,886	23,696	11,140	11,140
Cash and cash equivalents at the end of the period	9,938	41,007	9,938	41,007	23,696



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 second quarter was 35 (compared to 33 employees during the first quarter). The average number of employees (full-time positions excluding consultants) during the second quarter was 33 (31). The number of employees at the end of the second quarter was 32 (33).

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 ledger, 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.

Shareholders and Share Capital

On 30 June, Safello Group AB had 2,508 shareholders (compared with 2,534 shareholders at 31 of December 2021).

Safello's share capital on 30 June amounted to SEK 1,022,480 (SEK 1,022,480). The number of shares was 20,449,600 (20,449,600) and the average number of shares in the quarter was 20,449,600 (20,449,600).

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.

At each balance sheet date, the company assesses whether there is any indication that the market value of cryptocurrency is lower than the carrying amount. If there is such an indication, the company prepares an impairment test to assess whether the decline can be deemed as significant and whether it can be deemed as temporary or permanent.

Key Ratio Definitions and Concepts

Net sales

Operating revenue, invoiced costs, ancillary income and revenue corrections.

Volume

The company's net sales from completed crypto transactions, based on Safello's internal data.

Number of orders

Number of orders executed, based on Safello's internal data.

Adjusted equity

Equity with additions for untaxed reserves reduced by deferred tax.

Acid-test ratio (%)

Current assets excluding inventories and work in progress as a percentage of current liabilities.

Equity ratio (%)

Adjusted equity as a percentage of balance sheet total.



Earnings per share before dilution

Profit after tax for the period divided by the weighted average number of shares during the period.

Earnings per share after dilution

Profit after tax for the period divided by the weighted average number of shares during the period including potential dilution.

Financial Calendar

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 Amudova AB is the Certified Adviser.

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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.

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