

Stockholm 2023

# Interim Report

First Quarter 2023 (1 January - 31 March 2023)

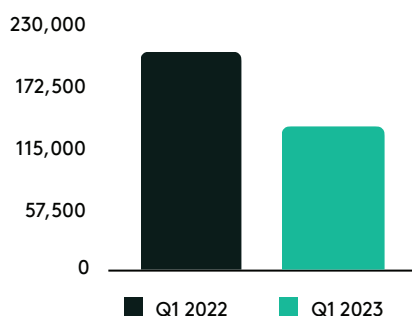


# Safello's profitable quarter marks the start of a new era

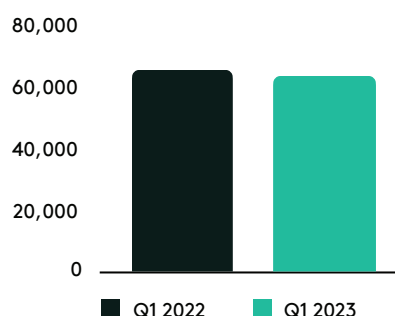
## Summary of the first quarter (Jan-Mar 2023)

- Net turnover decreased by -33% and amounted to SEK 138.1 million (205.2).
- Gross profit increased by +34% and amounted to SEK 11.4 million (8.5). Withdrawal fees contributed SEK 2.9 million (0.0).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 1.4 million (-3.1).
- Operating profit amounted to SEK 3.0 million (-4.0). The operating profit was positively affected by an adjustment of the value of long term crypto holdings by around SEK 2.5 million.
- Net profit/loss in the period amounted to SEK 3.0 million (-4.0).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK 0.15 (-0.20).
- Earnings per share based on the average number of shares after potential dilution (21,440,668 shares) amounted to SEK 0.14 (-0.19).
- The Group had a cash balance of SEK 19.8 million (SEK 21.3 million at year end 2022) at the end of the first quarter and in addition 18 BTC (18) and 110 ETH (110) in liquid crypto assets. The market value of the crypto assets was SEK 7.4 million (4.4) at the end of the quarter. The book value at the end of the quarter was SEK 7.4 million (4.9), representing a positive adjustment of the book value by SEK 2.5 million.
- The number of executed orders decreased by -3% to 63,158 orders (64,841).

## Volume from crypto trading (KSEK)



## Number of crypto orders





### Significant events during the first quarter

On 12 January Safello added 3 new coins to its cryptocurrency offering; USDC, Uniswap and Algorand. Safello is the first Swedish broker to offer the stablecoin USDC to its customers. In conjunction with the launch, Safello also enables withdrawals and deposits of current cryptocurrencies Polygon and Chainlink.

On 22 February, Safello appointed Viktoria Berglund Blohmé as Head of Finance as CFO Johan Edin will leave the company. The change will take place in August 2023.

On March 9, Safello announced that Frank Schuil had been appointed as chairman of the board and that Emelie Moritz took on the role as CEO.

Emelie Moritz joined Safello in March 2022 as COO and has since contributed to the development of Safello in its positioning as the leading crypto broker in Sweden.



The previous chairman, Jacob Jacobsson, who resigned from his chairmanship, will remain with the board during the full term of office.

Otherwise no significant events during the first quarter.

### Significant events after the end of the reporting period

On 4 April, Safello entered into an agreement with BCB Group, a global infrastructure and payment service provider for digital assets firms. The usage of BCB Group's services aims to complement and strengthen Safello's trading and settlement infrastructure.

On 27 April, Handelsbanken terminated Safello's access to the payment services Swish Handel and Swish Företag with immediate effect due to suspicions on Safello's services being used for or in connection with sale of goods and services which, according to the bank's assessment, are contrary to Swedish or foreign law or other constitution or Swedish or foreign authority decision. There is no consensus regarding Handelsbanken's decision and Safello is evaluating alternative payment solutions.

On 4 May, Safello announced that Viktor Fritzén joins as board director of the Board of Directors of Safello Group AB. Viktor has experience as a professional board member in numerous listed and non-listed companies within the financial industry, including Avanza and CoinShares. Prior to that, he served as the CFO of LeoVegas gaming group, which he was part of growing from a startup to a listed company. Beginning his career in equity research at Goldman Sachs, he has since held various roles in investment banking within the technology sector. Viktor replaces former director Knut Pedersen.

On May 5, Safello announced that instant payments are available as a payment method for transactions. Safello's customers can securely purchase digital assets through instant payment. The option for instant payments is provided by an external payment service provider and replaces the terminated payment method Swish. Safello continuously evaluates adding more payment methods to the platform.

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



New partner



BCB GROUP



# 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

	2023 Jan-Mar (3 months)	2022 Jan-Mar (3 months)	2022 Jan-Dec (12 months)
Net turnover (KSEK)	138,058	205,186	634,898
Gross Profit (KSEK)	11,390	8,509	32,352
EBITDA (KSEK)	1,448	-3,099	-12,384
Operating Profit/loss (KSEK)	2,982	-4,025	-21,507
Profit/loss after financial items (KSEK)	2,978	-4,025	-21,505
Balance sheet totals (KSEK)	43,397	57,403	41,511
Acid-test ratio (%)	417 %	593 %	380 %
Equity/Asset ratio (%)	86 %	90 %	83 %

## Results Summary

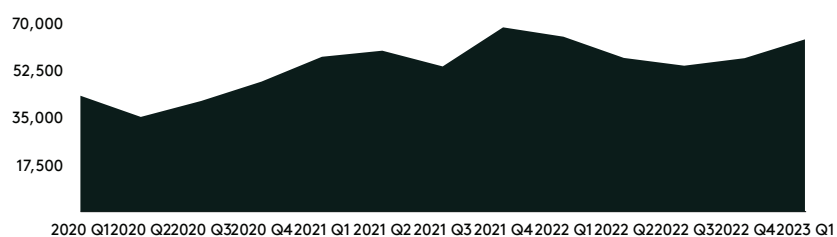
### Parent Company - Safello Group AB

	2023 Jan-Mar (3 months)	2022 Jan-Mar (3 months)	2022 Jan-Dec (12 months)
Net turnover (KSEK)	837	1,254	3,000
Gross Profit (KSEK)	837	1,258	5,275
EBITDA (KSEK)	-2,742	-2,636	-9,299
Operating Profit/loss (KSEK)	-229	-2,636	-14,598
Profit/loss after financial items (KSEK)	-39	-2,636	-14,557
Balance sheet totals (KSEK)	55,263	67,123	55,452
Acid-test ratio (%)	1,038 %	1,685 %	1,100 %
Equity/Asset ratio (%)	97 %	98 %	97 %

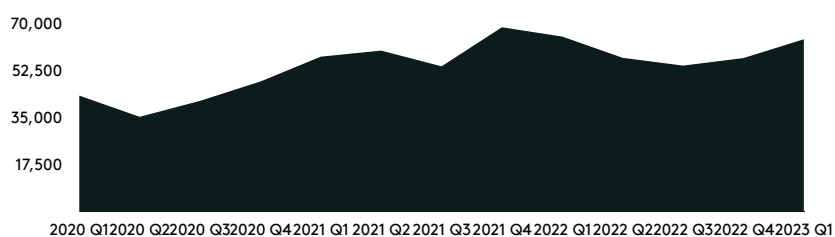


# Key Metrics and Graphs

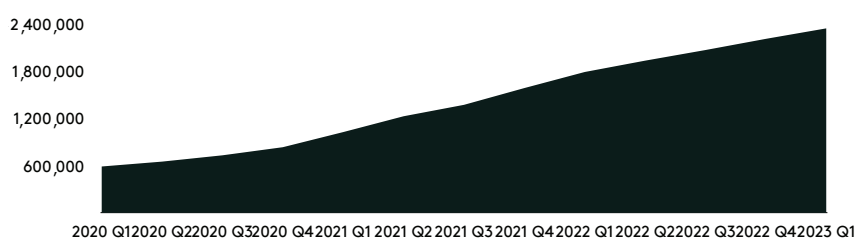
Number of Crypto orders per Quarter



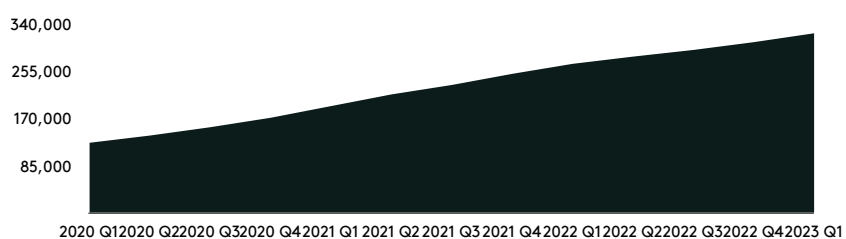
Volume per Quarter



Cumulative volume since start 2013



Number of registrations cumulatively since start 2013





# CEO Letter



Dear shareholder,

It is a pleasure to present a quarterly report with positive results. The first quarter of the year has been marred by continued high inflation and a banking crisis, which has highlighted vulnerabilities in the traditional banking system and the effects of monetary policy decisions. Interest in cryptocurrencies has grown, which has resulted in positive volume development towards the end of the quarter through increased activity, where the momentum has also continued into the start of Q2. The number of customers at Safello continues to increase with over 5,000 new customers on average per month. Safello now has over 323,000 customers in total and thus has the largest customer base of all crypto players in the Nordics.

The effect of the cost savings implemented grows every month and we expect to see the full effect in the fourth quarter of the year. In combination with a cost focus, we have worked to strengthen our product and create resilience for the company as a whole. We have added several cryptocurrencies, including the stablecoin USDC which is pegged to the US dollar, enabled bank giro payments in the app with Klarna's open banking and signed an agreement with BCB to strengthen our infrastructure and resilience regarding financial services.

We will continue to improve our product with more payment methods, new functionality, and renewed design and user experience throughout the mobile app. In combination with our internal product development, the focus is on establishing more revenue legs to create stable, recurring income and strengthening our strategic positioning towards financial institutions for investments in digital assets and streamlining payment flows through the use of blockchain technology.

We have experienced a shaky macroeconomic quarter and at the same time have been reminded that Bitcoin was born as a backlash to the financial crisis of 2008. This has benefited Safello as a safe and stable player in the digital currency ecosystem which is now bearing fruit in a quarterly report with positive results. It is with pride that I write my first CEO letter. I am grateful to my predecessor and now chairman Frank Schuil, who over 10 years has built a company with a focus on security, customer protection and anti-money laundering in an industry plagued by problems in these areas. I will now do my utmost to manage and further develop Safello.

A significant event after the end of the quarter was that Handelsbanken terminated Safello's agreement regarding Swish. There is currently no consensus regarding the circumstances that led to the dismissal. Safello has taken an active role in countering crime and preventing money laundering, which is done in cooperation with authorities and the judiciary and all suspicious transactions are reported. In fact, Safello was the actor that worked most actively to enable the reporting of crypto transactions in the Financial Police's internal system GoAML and accounted for the absolute majority of the reported transactions within its sector category in 2022.

A week after Handelsbanken's termination of Swish, Safello launched a new direct payment solution to continue offering its customers a simple and secure solution.

Thank you to all shareholders and customers for your commitment and patience as we face challenges and break new ground, thank you to the board for the trust and above all thank you to team Safello who make all this possible by being brave and daring to challenge.

**Emelie Mortiz**  
CEO



# 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. At the beginning of 2023, Safello expanded to also offer the cryptocurrencies Algorand (ALGO) and Uniswap (UNI), as well as USD Coin (USDC), which is a stable coin. 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 March 31, Safello had over 323,000 customers (307,000 customers per 31 December) and had handled 890,000 orders (826,000), which corresponds to a volume of SEK 2,343 million (2,210).<sup>2</sup>

In the first quarter, order volumes<sup>3</sup> amounted to SEK 133.3 million, compared with SEK 203.4 million in the corresponding period prior year, which corresponds to a decrease of -34%. The order volume was SEK 42.4 million (84.1) in January, SEK 40.7 million (60.5) in February and SEK 50.2 million (58.8) in March.

Number of  
customers  
cumulatively per  
2023-03-31

**323,000**

Number of orders  
cumulatively per  
2023-03-31

**890,000**

Volume  
cumulative per  
2023-03-31 (MSEK)

**2,343**

Number of  
customers  
cumulatively per  
2022-12-31

**307,000**

Number of orders  
cumulatively per  
2022-12-31

**826,000**

Volume  
cumulative per  
2022-12-31 (MSEK)

**2,210**

Based on Safello's back office data, rounded off to nearest thousand in SEK

<sup>2</sup> Based on Safello's internal data, since inception in 2013, rounded off to nearest thousand in SEK

<sup>3</sup> Based on Safello's internal data, rounded off to the nearest thousand in SEK.



# Comments about the period

## Results and development during the First Quarter 2023 (Group)

### Net turnover

Net turnover for the first quarter amounted to SEK 138.1 million (SEK 205.2 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 amounts to SEK 0.4 million (0.4) in the period, which mainly refers to exchange rate gains on operating receivables and liabilities. For the full year 2022, other operating income amounted to SEK 3.2 million, of which SEK 2.3 million refers to recovered VAT in the parent company Safello Group AB for fiscal year 2021.

### Gross profit and gross margin

Gross profit amounted to SEK 11.4 million (8.5) and the gross margin to 8.2% (4.1). During the third quarter of 2022, Safello introduced withdrawal fees, first on BTC and towards the end of the quarter also on ETH transactions. The fees are common practice in the industry. In the first quarter of 2023, the withdrawal fees contributed to the gross profit by around SEK 2.9 million (0.0), thereby contributing around 1.9% points (0.0) to gross margin.

Gross profit is also affected by changes in the value of cryptocurrency in stock. For further information see "Inventory" below. Safello did not capitalize work for own account during the quarter.

### Operating expenses

Total operating expenses during the quarter amounted to SEK 9.9 million (11.6). Of these, personnel costs amounted to SEK 6.2 million (8.5), which corresponds to a decrease of -27% compared to the first quarter 2022. The first quarter of 2023 was the first quarter with full impact of the cost reductions announced in the second quarter of 2022. The remaining part consists of other operating expenses amounting to SEK 3.7 million (3.1). The increase in other operating expenses is largely related to consultants covering for employees on parental leave.

### Operating profit/loss

Operating profit for the first quarter amounted to SEK 3.0 million (-4.0).

### Profit/loss after tax

Profit/loss after tax for the first quarter amounted to SEK 3.0 million (-4.0).





## Financial standing and Cash Flow

### Goodwill and intangible fixed assets

Goodwill amounted to SEK 4.9 million as of 31 March (SEK 5.3 million as of 31 December 2022) 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 March 31, the book value of the investments amounted to SEK 7.4 million (SEK 4.9 million as of 31 December 2022) and the acquisition value of the investments amounted to SEK 10.1 million. Safello made a write-up of the book value of SEK 2.5 million to reflect a higher market value in the first quarter of 2023. The market value at the end of the first quarter amounted to SEK 7.4 million. The market value of the assets have been largely flat since the end of the quarter and on 4 May 2023 the value was SEK 7.4 million, in line with the book value. Safello may adjust the book value in the future if the change is deemed to be significant and reflect a long-term value.

Intangible fixed assets amounted to SEK 1.4 million (1.9) as of 31 March. The balance sheet item refers to capitalized expenses for development work in Safello Technology Development AB. In the first quarter no capitalization was made.

### Inventory

Inventories refers to cryptocurrencies for sale in the business. As of 31 March, inventories amounted to SEK 3.9 million (1.8). The stock of cryptocurrencies is traded with high frequency and Safello holds on average an inventory of bitcoin, ether, polkadot, polygon, chainlink, USDC, algorand and uniswap. Inventory is valued at acquisition value and the change in the period affects the gross profit with SEK 2.1 million compared with SEK 0.2 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 31 March, current receivables amounted to SEK 5.4 million (5.7).

### Cash and cash equivalents

Cash as of 31 March amounted to SEK 19.8 million (21.3). Cash and cash equivalents exclude crypto holdings and liquidity held at crypto liquidity providers, hence these are classified as current receivables.

### Equity

As of 31 March, equity amounted to SEK 37.4 million (34.4). The change of SEK 3.0 million since 31 December 2022 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 March 31, current liabilities amounted to SEK 6.0 million (7.1).

### Cash flow

Cash flow from operating activities amounted to SEK -1.5 million (SEK -3.4 million in the first quarter of 2022). Changes in working capital had an impact on cash flow by SEK -3.0 million (-0.3).

Cash flow from investing activities amounted to SEK -0.1 million (-0.2) and cash flow from financing activities amounted to SEK 0.0 million (0.0). Total cash flow for the first quarter amounted to SEK -1.6 million (-3.7).



## Income statement in summary

### The Group

Amount in KSEK

	2023-01-01 -2023-03-31 (3 months)	2022-01-01 -2022-03-31 (3 months)	2022-01-01 -2022-12-31 (12 months)
Net sales	138,058	205,186	634,898
Activated work on own account	-	238	939
Other operating income	406	369	3,167
Cost of goods sold	-127,074	-197,284	-606,652
<b>Gross profit</b>	<b>11,390</b>	<b>8,509</b>	<b>32,352</b>
Operating expenses	-3,697	-3,095	-12,398
Personnel Expenses	-6,246	-8,514	-32,339
<b>EBITDA</b>	<b>1,448</b>	<b>-3,099</b>	<b>-12,384</b>
Depreciation, appreciation and impairment of intangible and tangible fixed assets	1 534	-926	-9,123
<b>Operating profit/loss</b>	<b>2,982</b>	<b>-4,025</b>	<b>-21,507</b>
Interest income and similar items	1	-	4
Interest expenses and similar items	-5	-	-1
<b>Profit/loss after financial items</b>	<b>2,978</b>	<b>-4,025</b>	<b>-21,505</b>
Tax on profit/loss in the period	0	6	5
<b>Net profit/loss in the period</b>	<b>2,978</b>	<b>-4,019</b>	<b>-21,499</b>
<b>Attributable to:</b>			
The parent company's shareholders	2,978	-4,019	-21,499
Minority interests	-	-	-



## Balance sheet in summary

### The Group

Amount in KSEK

	2023-03-31	2022-03-31	2022-12-31
<strong>Assets</strong>			
Goodwill	4,861	6,527	5,277
Cryptocurrency	7,398	10,137	4,883
Other intangible assets	1,412	2,746	1,932
Tangible fixed assets	283	318	277
Financial assets	333	333	333
<strong>Total fixed assets</strong>	<strong>14,287</strong>	<strong>20,060</strong>	<strong>12,702</strong>
Inventory	3,916	4,493	1,757
Current receivables	5,399	4,635	5,670
Short-term investments	39	-	38
Cash and cash equivalents	19,756	28,214	21,344
<strong>Total current assets</strong>	<strong>29,110</strong>	<strong>37,342</strong>	<strong>28,809</strong>
<strong>Total assets</strong>	<strong>43,397</strong>	<strong>57,403</strong>	<strong>41,511</strong>
<strong>Equity and liabilities</strong>			
Share capital	1,022	1,022	1,022
Other equity	36,338	50,841	33,361
<strong>Total equity</strong>	<strong>37,361</strong>	<strong>51,863</strong>	<strong>34,383</strong>
Current liabilities	6,036	5,540	7,128
<strong>Total current liabilities</strong>	<strong>6,036</strong>	<strong>5,540</strong>	<strong>7,128</strong>
<strong>Total equity and liabilities</strong>	<strong>43,397</strong>	<strong>57,403</strong>	<strong>41,511</strong>



## 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 share-holders	Total equity
Equity 2022-01-01	1,022	-	101,392	-46,532	55,883	55,883
Result for the period				-21,499	-21,499	-21,499
Equity 2022-12-31	1,022	-	101,392	-46,532	34,383	34,383
Result for the period				2,978	2,978	2,978
Equity 2023-03-31	1,022	-	101,392	-65,054	37,361	37,361



## Cash flow statement in summary

The Group

Amount in KSEK

	2023-01-01 -2023-03-31 (3 months)	2022-01-01 -2022-03-31 (3 months)	2022-01-01 -2022-12-31 (12 months)
<b>Operations</b>			
Operating profit/loss	2,982	-4,025	-21,507
Adjustment for items not included in cash flow			
Depreciation and write -downs	-1 534	926	9,143
Realization results	-	-	-
Received interest	1	-	4
Paid interest	-5	-	-1
Paid income tax	-	6	5
Net change in working capital	-2,980	-321	2,931
<b>Cash flow from operations</b>	<b>-1,537</b>	<b>-3,414</b>	<b>-9,425</b>
Cash flow from investment activities	-51	-242	-1,101
Cash flow from financing activities	-	-	-
<b>Cash flow for the period/change in liquid funds</b>	<b>-1,588</b>	<b>-3,656</b>	<b>-10,526</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>21,344</b>	<b>31,870</b>	<b>31,870</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>19,756</b>	<b>28,214</b>	<b>21,344</b>



## Income statement in summary

The parent company

Amount in KSEK

	2023-01-01 -2023-03-31 (3 months)	2022-01-01 -2022-03-31 (3 months)	2022-01-01 -2022-12-31 (12 months)
Net sales	837	1,254	3,000
Other operating income	-	4	2 275
<b>Gross profit</b>	<b>837</b>	<b>1,258</b>	<b>5,275</b>
Operating expenses	-1,700	-1,309	-4,553
Personnel Expenses	-1,879	-2,584	-10,020
<b>EBITDA</b>	<b>-2,742</b>	<b>-2,636</b>	<b>-9,299</b>
Depreciation, appreciation and impairment of intangible and tangible fixed assets	2,512	-	-5,300
<b>Operating profit/loss</b>	<b>-229</b>	<b>-2,636</b>	<b>-14,598</b>
Profit/loss from participations in group companies	-	-	-500
Interest income and similar items	196	-	543
Interest expenses and similar items	-6	-	-1
<b>Profit/loss after financial items</b>	<b>-39</b>	<b>-2,636</b>	<b>-14,557</b>
Appropriations	-	-	-
Tax on profit/loss in the period	-	-	-
<b>Net profit/loss in the period</b>	<b>-39</b>	<b>-2,636</b>	<b>-14,557</b>



## Balance sheet in summary

### The parent company

	Amount in KSEK		Amount in KSEK
	2023-03-31	2022-03-31	2022-12-31
<b>Assets</b>			
Cryptocurrency	7,324	10,123	4,809
Tangible fixed assets	47	-	49
Financial assets	30,184	29,934	30,184
<b>Total fixed assets</b>	<b>37,555</b>	<b>40,056</b>	<b>35,042</b>
Current receivables	12,145	14,779	14,831
Short-term investments	39	-	38
Cash and cash equivalents	5,525	12,288	5,540
<b>Total current receivables</b>	<b>17,709</b>	<b>27,067</b>	<b>20,410</b>
<b>Total assets</b>	<b>55,263</b>	<b>67,123</b>	<b>55,452</b>
<b>Equity and liabilities</b>			
Share capital	1,022	1,022	1,022
Other equity	52,534	64,495	52,574
<b>Total equity</b>	<b>53,557</b>	<b>65,517</b>	<b>53,596</b>
Current liabilities	1,706	1,606	1,856
<b>Total current liabilities</b>	<b>1,706</b>	<b>1,606</b>	<b>1,856</b>
<b>Total equity and liabilities</b>	<b>55,263</b>	<b>67,123</b>	<b>55,452</b>



## 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 2022-01-01	99	-	101,392	-34,262	68,153
Result for the period				-14 557	-14,557
Equity 2022-12-31	1,022	-	101,392	-48,819	53,596
Result for the period				-39	-39
Equity 2023-03-31	1,022	-	101,392	-48,858	53,557





## Cash flow analysis in summary

The parent company

Amount in KSEK

	2023-01-01 -2023-03-31 (3 months)	2022-01-01 -2022-03-31 (3 months)	2022-01-01 -2022-12-31 (12 months)
<b>Operations</b>			
Operating profit	-229	-2,636	-14,598
Adjustment for items not included in cash flow			
Depreciation and write-downs	-2,512	-	5,317
Group contributions	-	-	-
Received interest	192	-	543
Paid interest	-2	-	-1
Paid income tax	-	-	-
Net change in working capital	2,536	-7,213	-8,613
<b>Cash flow from operations</b>	<b>-16</b>	<b>-9,849</b>	<b>-17,353</b>
Cash flow from investment activities	-	-	-803
Cash flow from financing activities	-	-	-
<b>Cash flow for the period/change in liquid funds</b>	<b>-16</b>	<b>-9,849</b>	<b>-18,156</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,540</b>	<b>23,696</b>	<b>23,696</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,525</b>	<b>13,847</b>	<b>5,540</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 first quarter was 26 (compared to 33 employees during the corresponding period in prior year). The average number of employees (full-time positions excluding consultants) during the quarter was 23 (31). The number of employees at the end of the quarter was 27 (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.

The client funds held in the separate wallet can be observed here: <https://safello.com/proof-of-reserves/>

## Shareholders and Share Capital

On 31 March, Safello Group AB had 2,307 shareholders (compared with 2,393 shareholders at 31 of December 2022).

Safello's share capital on 31 March 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) before dilution and 21,440,668 (21,440,668) after potential dilution.

## 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 (buy and sell orders), based on Safello's internal data.

### *Number of orders*

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

### *Number of registrations*

Number of registrations, 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

25 August 2023	Interim report for the second quarter
17 November 2023	Interim report for the third quarter
23 February 2024	Year-end report 2023

*This information is such that Safello Group AB is required to disclose in accordance with the EU Market Abuse Regulation. The information was provided by the contact person below, for publication on 12 May 2023, at 8:00 CET.*

### Certified Adviser

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

Amudova AB  
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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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