

Stockholm 2023

Interim Report

Third Quarter 2023 (1 July - 30 September 2023)



Stable activity in third quarter with end of year tailwinds with Swish and Police Authority procurement

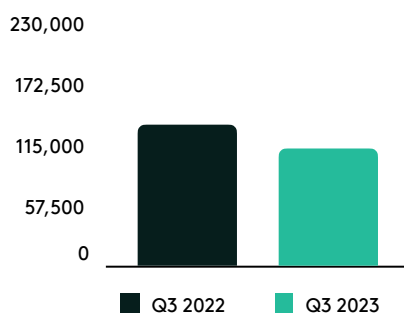
Summary of the third quarter (Jul-Sep 2023)

- Net turnover decreased by -17% and amounted to SEK 115.3 million (138.8).
- Gross profit decreased by -19% and amounted to SEK 7.3 million (9.0).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -1.5 million (-0.9).
- Operating profit amounted to SEK -3.4 million (-1.9).
- Net profit/loss in the period amounted to SEK -3.5 million (-1.9).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK -0.17 (-0.09).
- Earnings per share based on the average number of shares after potential dilution (22,594,273 shares) amounted to SEK -0.15 (-0.09).
- The number of executed orders decreased by -17% to 45,128 orders (54,097).

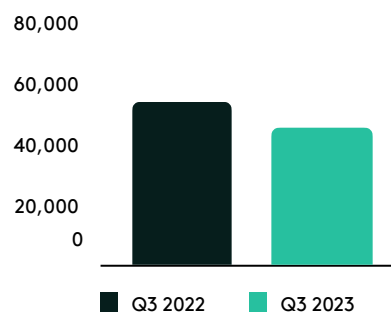
Summary of the first nine months (Jan-Sep 2023)

- Net turnover decreased by -20% and amounted to SEK 390.2 million (489.7).
- Gross profit increased by +8% and amounted to SEK 26.4 million (24.3).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -2.1 million (-10.4).
- Operating profit amounted to SEK -2.7 million (-18.6).
- Net profit/loss in the period amounted to SEK -2.7 million (-18.6).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK -0.13 (-0.91).
- Earnings per share based on the average number of shares after potential dilution (22,594,273 shares) amounted to SEK -0.12 (-0.87).
- The number of executed orders decreased by -12% to 154,048 orders (175,918).
- The Group had a cash balance of SEK 17.8 million at the end of the third quarter (SEK 21.3 million at year end 2022) and in addition 18 BTC (18) and 110 ETH (110) in liquid crypto assets. The market value of the crypto assets was SEK 7.3 million (SEK 4.9 million at year end 2022) at the end of the quarter. The book value at the end of the quarter was SEK 7.3 million, due to a negative adjustment to the market value by SEK 0.9 million in comparison to the book value as of June 30 that amounted to SEK 8.2 million.

Volume from crypto trading (KSEK)



Number of crypto orders





Significant events during the third quarter

On July 11, Safello entered into an agreement with Finshark, a Swedish open banking company providing Safello with payment initiation services for instant payments and payouts. Finshark was founded in Sweden in 2019 and licensed as a payment institution under the SFSA (Finansinspektionen). Finshark's commitment to delivering innovative, seamless and compliant financial solutions makes them an ideal partner for Safello.

On August 18, Safello was chosen by The Swedish Police Authority as the exclusive supplier of cryptocurrency services to ensure the needs of the Swedish Police, the Swedish Customs Office and the Swedish Economic Crime Authority on a national basis, with a term of maximum 4 years. The aggregated number of transactions is estimated to an amount of 150 transactions, with a maximum cap of 600 transactions, per year.

On September 11, Safello announced the integration of Apple Pay and Google Pay on its platform, expanding its payment options and providing customers with a seamless and secure method to purchase cryptocurrencies. This functionality eliminates the need for manual entry of payment details and leverages the advanced security features provided by Apple Pay and Google Pay.

On September 12, Safello entered into a framework agreement with the Swedish Police Authority. The framework agreement between the parties is a result of being selected as the sole provider of cryptocurrency services in the Police Authority's public procurement process. The framework agreement, which will cater to the needs of the Swedish Police Authority on a national basis with a term of maximum 4 years, has now been entered into and will take immediate effect.

On September 21, Safello entered into a framework agreement with the Swedish Customs Office. The framework agreement between the parties is a result of being selected as the sole provider of cryptocurrency services in the Police Authority's public procurement process. The framework agreement, which will cater to the needs of the Swedish Customs Office on a national basis with a term of maximum 4 years, has now been entered into and will take immediate effect.

Significant events after the end of the reporting period

The value on the Group's long term crypto assets increased significantly after the end of this quarter and was estimated on Oct 27, 2023 to a total value of SEK 12,240,691.

On November 1, Safello entered into an agreement regarding Swish, which enables Safello to offer Swish as a payment method for buy and sell orders on Safello's platform. In addition to the Swish services, Safello will be provided with additional banking services connected to handling the Swish payment service. Safello's counterpart is a Swedish niche bank, supervised by Finansinspektionen (FI), ISO certified and covered by the Swedish government's deposit guarantee scheme.



Results Summary for the Group and the Parent company

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

Results Summary

Group

	2023 Jul-Sep (3 months)	2022 Jul-Sep (3 months)	2023 Jan-Sep (9 months)	2023 Jan-Sep (9 months)	2022 Jan-Dec (12 months)
Net turnover (KSEK)	115,279	138,833	390,220	489,685	634,898
Gross Profit (KSEK)	7,328	9,011	26,395	24,335	32,352
EBITDA (KSEK)	-1,512	-913	-2,124	-10,414	-12,384
Operating Profit/loss (KSEK)	-3,394	-1,891	-2,669	-18,557	-21,507
Net profit/loss (KSEK)	-3,457	-1,890	-2,741	-18,557	-21,505
Balance sheet totals (KSEK)	38,220	44,066	38,220	44,066	41,511
Acid-test ratio (%)	380 %	420 %	380 %	420 %	380 %
Equity/Asset ratio (%)	84 %	85 %	84 %	85 %	83 %

Results Summary

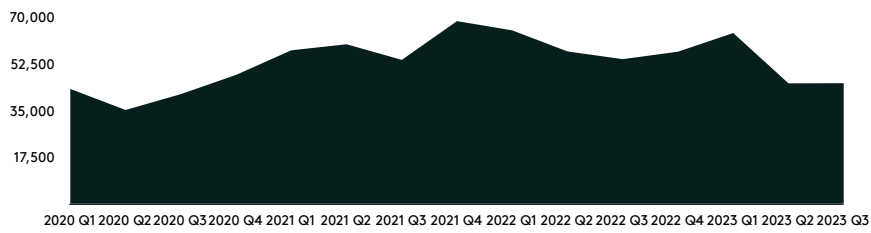
Parent Company

	2023 Jul-Sep (3 months)	2022 Jul-Sep (3 months)	2023 Jan-Sep (9 months)	2023 Jan-Sep (9 months)	2022 Jan-Dec (12 months)
Net turnover (KSEK)	309	956	1,846	3,440	3,000
Gross Profit (KSEK)	311	956	1,860	5,715	5,275
EBITDA (KSEK)	-2,915	-2,322	-8,552	-5,588	-9,299
Operating Profit/loss (KSEK)	-3,817	-2,323	-6,158	-10,885	-14,598
Profit/loss after financial items (KSEK)	-3,727	-2,653	-5,713	-11,002	-14,557
Balance sheet totals (KSEK)	51,071	59,242	51,071	59,242	55,452
Acid-test ratio (%)	497 %	1,156 %	497 %	1,156 %	1,100 %
Equity/Asset ratio (%)	95 %	96 %	95 %	96 %	97 %

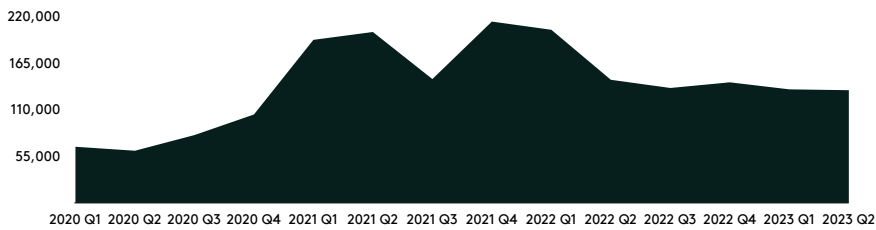


Key Metrics and Graphs

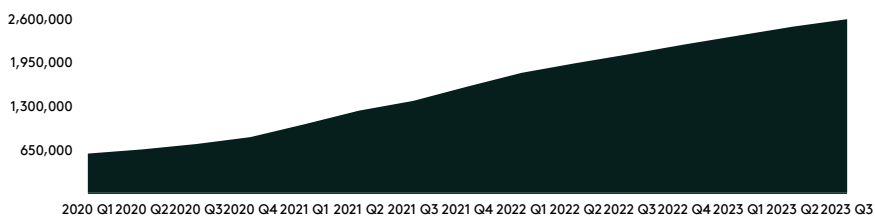
Number of Crypto orders per Quarter



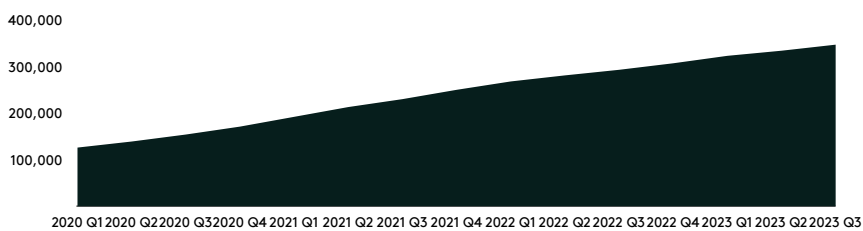
Volume per Quarter



Cumulative volume since start 2013



Number of registrations cumulatively since start 2013





CEO Letter



Dear shareholder,

As we are closing the books of the third quarter, Safello is progressing on the path towards profitability while at an even pace collecting market share and getting validation as the market leader within crypto and digital assets in the Nordics. The result of the third quarter shows recovery from the second quarter, and we are steadily onboarding around 4,000 customers per month, making the total number of customers at the end of Q3 347,000.

During this quarter we have seen several bankruptcies within the FinTech scene and new equity issuance among crypto companies. Safello has a sufficient cash position and control of its burn rate which has placed Safello in a strong position to weather the last part of the crypto bear market, as we now see a positive momentum and a bullish cycle taking off.

In August, Safello won the public procurement conducted by the Swedish Police Authority that we were invited to participate in. As a result, we have entered into two separate framework agreements with the Swedish Police Authority and the Swedish Customs Office governing cryptocurrency services with Safello as their exclusive provider. This shows that our platform meets the technical standards on a governmental level as well as having a competitive offer towards larger corporations and institutions.

As previously communicated we have continued to build on the infrastructure of the platform, focusing mainly on payment alternatives. This is an important area for Safello to ensure an independent position against banks and payment service providers in order to strengthen the operational resilience and business continuity. The ambition is to offer a platform supporting several payment solutions to cater our broad user base, and strengthening our independence from any of the payment methods.

During the third quarter we added the ability to pay instantly with Apple Pay and Google Pay, decreasing the time to execute an order to just seconds, which so far has been successful and appreciated by our customers.

In September, Safello participated in the consultation round for MiCA which is coming into effect in 2024. The regulation sets a clear framework for Crypto Asset Service Providers and will increase the thresholds to operate within the crypto market. As Safello moves towards its goal of being the easiest and most trusted digital assets platform and infrastructure for millions of users within Europe, the MiCA-license will serve as an enabler.

In order to expand our market leading position within the Nordics and beyond we will keep focusing on operational resilience, enhanced features in the product in combination with new innovations towards financial institutions. With institutional interest in crypto increasing, a long bear market behind us, new regulations on the horizon and a platform that can adapt to changing conditions, I am positive about the future for Safello and look forward to continue the journey of onboarding people to the decentralized economy together with the Safello team.

Best regards
Emelie Moritz, VD



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 September 30, Safello had over 347,000 customers (3334,000 customers per June 30) and had handled 980,000 orders (935,000), which corresponds to a volume of SEK 2,586 million (2,247).¹

In the third quarter, order volumes² amounted to SEK 111.3 million, compared with SEK 134.9 million in the corresponding period prior year, which corresponds to a decrease of -17%. The order volume was SEK 39.1 million (38.1) in July, SEK 36.7 million (51.7) in August and SEK 35.5 million (45.1) in September.

Number of customers cumulatively per 2023-09-30

347,000

Number of orders cumulatively per 2023-09-30

980,000

Volume cumulative per 2023-09-30 (MSEK)

2,586

Number of customers cumulatively per 2023-06-30

334,000

Number of orders cumulatively per 2023-06-30

935,000

Volume cumulative per 2023-06-30 (MSEK)

2,475

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

¹ Based on Safello's internal data, since inception in 2013, rounded off to nearest thousand in SEK

² Based on Safello's internal data, rounded off to the nearest thousand in SEK.



Comments about the period

Results and development during the Third Quarter 2023 (Group)

Net turnover

Net turnover for the third quarter amounted to SEK 115.3 million (SEK 138.8 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 0.0 million (0,4).

Gross profit and gross margin

Gross profit amounted to SEK 7.3 million (9.0) with a gross margin to 6.4% (6.5%). During the second 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 third quarter of 2023, the withdrawal fees contributed to the gross profit by around SEK 2.6 million (2.0), thereby contributing around 2.2% points (1.4) to gross margin.

Gross profit is also affected by changes in the value of cryptocurrency in inventory. 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 8.8 million (9.9). Of these, personnel costs amounted to SEK 5.0 million (7.2), which corresponds to a decrease of -31% compared to the third quarter 2022. The decrease is a result of the cost reductions announced in the second quarter of 2022. The remaining part consists of other operating expenses amounting to SEK 3.9 million (2.7). The increase in other operating expenses is largely related to consultants covering for employees on parental leave.

Operating profit/loss

Operating profit for the third quarter amounted to SEK -3.4 million (-1.9).

Net income

Net income for the third quarter amounted to SEK -3.5 million (-1.9).



Financial standing and Cash Flow

Goodwill and intangible fixed assets

Goodwill amounted to SEK 4.0 million as of September 30 (SEK 5.3 million as of December 31 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 September 30, the book value of the investments amounted to SEK 7.3 million (SEK 4.9 million as of December 31 2022) and the acquisition value of the investments amounted to SEK 10.1 million. Safello made a write-down of the book value of SEK 0.9 million to reflect a lower market value in the third quarter of 2023. The market value at the end of the third quarter amounted to SEK 7.3 million. 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 0.4 million (2.5) as of September 30. The balance sheet item refers to capitalized expenses for development work in Safello Technology Development AB. In the third quarter no capitalization was made.

Inventory

Inventories refers to cryptocurrencies for sale in the business. As of September 30, inventories amounted to SEK 2.7 million (2.1). 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 -0.5 million compared with SEK 0.1 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 September 30, current receivables amounted to SEK 5.5 million (6.6).

Cash and cash equivalents

Cash as of September 30 amounted to SEK 17.8 million (21.7). Cash and cash equivalents exclude crypto holdings and liquidity held at crypto liquidity providers, which are classified as current receivables.

Equity

As of September 30, equity amounted to SEK 32.1 million (37.3). The change of SEK -2.3 million since 31 December 2022 is related to the net income 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 September 30, current liabilities amounted to SEK 6.1 million (6.7).

Cash flow

Cash flow from operating activities amounted to SEK -0.3 million (SEK -2.8 million in the third quarter of 2022). Changes in working capital had an impact on cash flow by SEK 1.3 million (-1.9).

Cash flow from investing activities amounted to SEK 0.0 million (-0.1) and cash flow from financing activities amounted to SEK 0.4 million (0.0). Total cash flow for the third quarter amounted to SEK 0.1 million (-2.8).



Income statement in summary

The Group

Amount in KSEK

	2023-07-01 -2023-09-30 (3 months)	2022-07-01 -2022-09-30 (3 months)	2023-01-01 -2023-09-30 (9 months)	2022-01-01 -2022-09-30 (9 months)	2022-01-01 -2022-12-31 (12 months)
Net sales	115,279	138,833	390,220	489,685	634,898
Activated work on own account	-	-	-	939	939
Other operating income	-97	382	-185	3,017	3,167
Cost of goods sold	-107,855	-130,203	-363,639	-469,306	-606,652
Gross profit	7,328	9,011	26,395	24,335	32,352
Operating expenses	-3,867	-2,707	-11,197	-9,268	-12,398
Personnel Expenses	-4,973	-7,218	-17,323	-25,481	-32,339
EBITDA	-1,512	-913	-2 124	-10,414	-12,384
Depreciation and impairment of intangible and tangible fixed assets	-1,882	-978	-545	-8,144	-9,123
Operating profit/loss	-3,394	-1,891	-2,669	-18,557	-21,507
Interest income and similar items	-69	1	-70	-	4
Interest expenses and similar items	7	-	-1	-	-1
Profit/loss after financial items	-3 457	-1,890	-2,741	-18,557	-21,505
Tax on profit/loss in the period	-	-	-	6	5
Net profit/loss in the period	-3,457	-1,890	-2,741	-18,551	-21,499
Attributable to:					
The parent company's shareholders	-3,457	-1,890	-2,741	-18,551	-21,499
Minority interests	-	-	-	-	-



Balance sheet in summary

The Group

Amount in KSEK

	2023-09-30	2022-09-30	2022-12-31
Assets			
Goodwill	4,027	5,694	5,277
Cryptocurrency	7,285	4,901	4,883
Other intangible assets	892	2,451	1,932
Tangible fixed assets	237	309	277
Financial assets	333	333	333
Total fixed assets	12,229	13,699	12,702
Inventory	2,706	2,077	1,757
Current receivables	5,460	6,567	5,670
Short-term investments	39	18	38
Cash and cash equivalents	17,783	21,704	21,344
Total current assets	25,991	30,367	28,809
Total assets	38,220	44,066	41,511
Equity and liabilities			
Share capital	1,022	1,022	1,022
Other equity	31,067	36,309	33,361
Total equity	32,089	37,331	34,383
Current liabilities	6,131	6,735	7,128
Total current liabilities	6,131	6,735	7,128
Total equity and liabilities	38,220	44,066	41,511



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 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	-68,031	34,383	34,383
Issued warrants					447	447
Result for the period				-2 741	-2 741	-2 741
Equity 2023-09-30	1,022	-	101,392	-70,772	32,089	32,089



Cash flow statement in summary

The Group

Amount in KSEK

	2023-07-01 -2023-09-30 (3 months)	2022-07-01 -2022-09-30 (3 months)	2023-01-01 -2023-09-30 (9 months)	2022-01-01 -2022-09-30 (9 months)	2022-01-01 -2022-12-31 (12 months)
Operations					
Operating profit/loss	-3,394	-1,891	-2,669	-18,557	-21,507
Adjustment for items not included in cash flow					
Depreciation and write -downs	1,882	978	545	8,146	9,143
Realization results	-	-	-	-	-
Received interest	-69	1	-70	-	4
Paid interest	7	-	-1	0	-1
Paid income tax	-	-	-	6	5
Net change in working capital	1,268	-1,876	-1,740	1,340	2,931
Cash flow from operations	-306	-2,788	-3,936	-9,065	-9,425
Cash flow from investment activities	-22	-52	-72	-1,101	-1,101
Cash flow from financing activities	447	-	447	-	-
Cash flow for the period/change in liquid funds	119	-2,840	-3,561	-10,166	-10,526
Cash and cash equivalents at the beginning of the period	17,664	24,544	21,344	31,870	31,870
Cash and cash equivalents at the end of the period	17,783	21,704	17,783	21,704	21,344



Income statement in summary

The parent company

Amount in KSEK

	2023-07-01 -2023-09-30 (3 months)	2022-07-01 -2022-09-30 (3 months)	2023-01-01 -2023-09-30 (9 months)	2022-01-01 -2022-09-30 (9 months)	2022-01-01 -2022-12-31 (12 months)
Net sales	309	956	1,846	3,440	3,000
Other operating income	3	-	15	2,275	2,275
Gross profit	311	956	1,860	5,715	5,275
Operating expenses	-1,395	-1,118	-4,388	-3,368	-4,553
Personnel Expenses	-1,832	-2,160	-6,024	-7,936	-10,020
EBITDA	-2,915	-2,322	-8,552	-5,588	-9,299
Depreciation and impairment of intangible and tangible fixed assets	-902	-1	2,394	-5,297	-5,300
Operating profit/loss	-3,817	-2,323	-6,158	-10,885	-14,598
Profit/loss from participations in group companies	-	-	-	-500	-500
Interest income and similar items	96	-500	460	383	543
Interest expenses and similar items	-7	170	-16	1	-1
Profit/loss after financial items	-3,727	-2,653	-5,713	-11,002	-14,557
Appropriations					
Tax on profit/loss in the period					
Net profit/loss in the period	-3,727	-2,653	-5,713	-11,002	-14,557



Balance sheet in summary

The parent company

Amount in KSEK

	2023-09-30	2022-09-30	2022-12-31
Assets			
Cryptocurrency	7,211	4,827	4,809
Tangible fixed assets	41	52	49
Financial assets	30,184	30,184	30,184
Total fixed assets	37,436	35,063	35,042
Current receivables	7,580	16,727	14,831
Short-term investments	42	18	38
Cash and cash equivalents	6,012	7,434	5,540
Total current receivables	13,635	24,179	20,410
Total assets	51,071	59,242	55,452
Equity and liabilities			
Share capital	1,022	1,022	1,022
Other equity	47,307	56,128	52,574
Total equity	48,330	57,151	53,596
Current liabilities	2,741	2,091	1,856
Total current liabilities	2,741	2,091	1,856
Total equity and liabilities	51,071	59,242	55,452



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	1,022	-	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
Issued warrants				447	447
Result for the period				-5,713	-5,713
Equity 2023-09-30	1,022	-	101,392	-54,085	48,330



Cash flow analysis in summary

The parent company

Amount in KSEK

	2023-07-01 -2023-09-30 (3 months)	2022-07-01 -2022-09-30 (3 months)	2023-01-01 -2023-09-30 (9 months)	2022-01-01 -2022-09-30 (9 months)	2022-01-01 -2022-12-31 (12 months)
Operations					
Operating profit	-3,817	-2,323	-6,158	-10,885	-14,598
Adjustment for items not included in cash flow	-	-	-	-	-
Depreciation and write-downs	902	-	-2,394	5,297	5,317
Group contributions	-	-	-	-	-
Received interest	96	171	460	383	543
Paid interest	-7	-	-16	1	-1
Paid income tax	-	-	-	-	-
Net change in working capital	3,062	-300	8,132	-10,254	-8,613
Cash flow from operations	236	-2,452	25	-15 459	-17,353
Cash flow from investment activities	-	-52	-	-803	-803
Cash flow from financing activities	447	-	447	-	-
Cash flow for the period/change in liquid funds	683	-2,504	471	-16,262	-18,156
Cash and cash equivalents at the beginning of the period	5,329	9,938	5,540	23,696	23,696
Cash and cash equivalents at the end of the period	6,012	7,434	6,012	7,434	5,540



Additional information

Transactions with related parties

No transactions with related parties have taken place.

Employees

The average number of employees in the Group, including consultants, during the third quarter was 25 (compared to 30 employees during the corresponding period in prior year). The average number of employees (full-time positions excluding consultants) during the quarter was 22 (29). The number of employees at the end of the quarter was 23 (27).

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 on 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 September 30, Safello Group AB had 2,250 shareholders (compared with 2,393 shareholders at 31 of December 2022).

Safello's share capital on September 30 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 22,594,273 (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 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 in cryptocurrency as intangible fixed assets. No planned depreciation is applied to the cryptocurrencies assets, 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

23 February 2024	Year-end report 2023
29 March 2024	Annual Report 2023
2 May 2024	Annual General Meeting 2023
17 May 2024	Interim report for the first quarter
23 August 2024	Interim report for the second quarter

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 Nov 17 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.

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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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