

Stockholm 2024

# Year-End Report

Fourth Quarter 2023 (1 October - 31 December 2023)

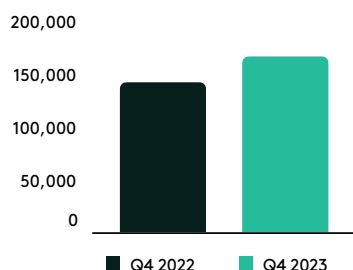


# Safello reintroduces Swish and presents a positive EBITDA

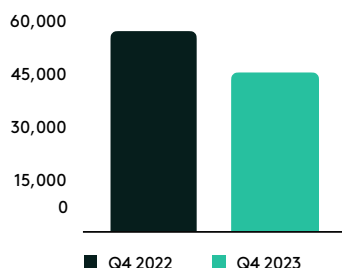
## Summary of the fourth quarter (Oct-Dec 2023)

- Net turnover increased by 18 % and amounted to SEK 171.2 million (145.2).
- Gross profit increased by 17 % and amounted to SEK 9.3 million (8.0).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 0.1 million (-2.0).
- Operating profit amounted to SEK 2.3 million (-3.0).
- Net income in the period amounted to SEK 2.3 million (-2.9).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK 0.11 (-0.14).
- Earnings per share based on the average number of shares after potential dilution (22,253,165 shares) amounted to SEK 0.10 (-0.14).
- The number of executed orders decreased by -21 % to 44,798 orders (56,884).

### Volume from crypto trading (KSEK)



### Number of crypto orders



## Summary of the full year (Jan-Dec 2023)

- Net turnover decreased by -12 % and amounted to SEK 561.1 million (634.9).
- Gross profit increased by 10 % and amounted to SEK 35.7 million (32.4).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -2.0 million (-12.4).
- Operating profit amounted to SEK -0.3 million (-21.5).
- Net profit in the period amounted to SEK -0.4 million (-21.5).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK -0.2 (-1.05).
- Earnings per share based on the average number of shares after potential dilution (21,783,475 shares) amounted to SEK -0.02 (-1.00).
- The number of executed orders in the period decreased by -15 % to 198,846 orders (232,802).
- The Group had a cash balance of SEK 17.3 million at year end (compared to SEK 21.3 million at year end 2022) and an additional 18 BTC (18) and 110 ETH (110) in liquid crypto-assets. The crypto-assets are booked at market value as of year end, which amounts to SEK 9.7 million (4.4). The investments in crypto-assets are mainly booked in the parent company's balance sheet.



# Significant Events

## Significant events during the fourth quarter

On November 1, Safello entered into an agreement with a Swedish bank regarding Swish, which from November 23 again enabled Swish as a payment method for buy orders on Safello's platform.

In November, Safello entered into a partnership with the Lund University School of Economics and Management for collaboration in conducting research within the field of cryptocurrencies.

In December, transactions were made in the company's stock for a total of 1,375,425 shares at an average price of SEK 2.1 per share, corresponding to 6.73 percent of the share capital and votes in the company. The CEO Emelie Moritz and Chairman of the Board Frank Schuil participated in the transaction together with two private investors. Northzone, a venture capital fund, was the seller of the shares.

As of December 11, Safello terminated the agreement with the Swedish payment service provider Finshark with immediate effect. The agreement was entered into in July for the purpose of providing Safello with payment services. The services were never activated.

## Significant events after the reporting period

Safello has entered into an agreement with the Nordic Blockchain Association (NBA) about an official partnership. The NBA, which is a non-profit organization, is the largest professional web3 network in the Nordics. The organization is dedicated to fostering innovation and growth in the blockchain industry as well as facilitating the largest professional web3 network in the Nordics.

In January, Safello launched the feature to execute a sell order and receive a payment via Swish. In the past, when selling, customers have had their money paid out via traditional bank transfers, which meant that the transfer took at least one banking day. The new feature significantly improves the payout process on Safello's platform, since all sell orders up to SEK 150,000 will be paid out approximately three times faster compared to before.

As of February, the business relationship with Handelsbanken has been completely terminated in accordance with what was previously communicated and Safellos has transitioned to its new Swedish banking partner. The migration took place in accordance to plan and without any negative operational impact.



# 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 Oct-Dec (3 months)	2022 Oct-Dec (3 months)	2023 Jan-Dec (12 months)	2022 Jan-Dec (12 months)
Net turnover (KSEK)	171,893	145,214	561,110	634,898
Gross Profit (KSEK)	9,345	8,017	35,74	32,352
EBITDA (KSEK)	102	-1,970	-2,022	-12,384
Operating Profit/loss (KSEK)	2,320	-2,950	-350	-21,507
Net profit/loss (KSEK)	2,293	-2,948	-447	-21,505
Balance sheet totals (KSEK)	41,060	41,512	41,060	41,512
Acid-test ratio (%)	341 %	380 %	341 %	380 %
Equity/Asset ratio (%)	84 %	83 %	84 %	83 %

## Results Summary

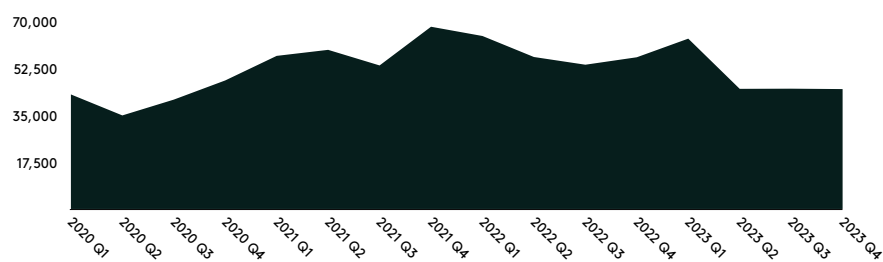
### Parent Company

	2023 Oct-Dec (3 months)	2022 Oct-Dec (3 months)	2023 Jan-Dec (12 months)	2022 Jan-Dec (12 months)
Net turnover (KSEK)	462	-441	2,307	3,000
Gross Profit (KSEK)	464	-441	2,324	5,275
EBITDA (KSEK)	-2,655	-3,710	-11,207	-9,299
Operating Profit/loss (KSEK)	-255	-3,713	-6,413	-14,598
Profit/loss after financial items (KSEK)	-93	-3,555	-5,806	-14,557
Balance sheet totals (KSEK)	55,124	55,452	55,124	55,452
Acid-test ratio (%)	810 %	1,100 %	810 %	1,100 %
Equity/Asset ratio (%)	97 %	97 %	97 %	97 %

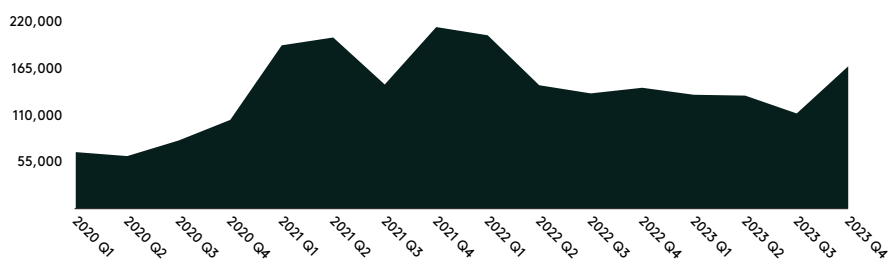


# Key Metrics and Graphs

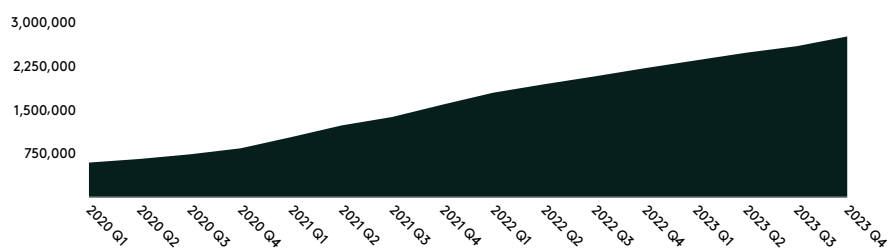
Number of Crypto orders per Quarter



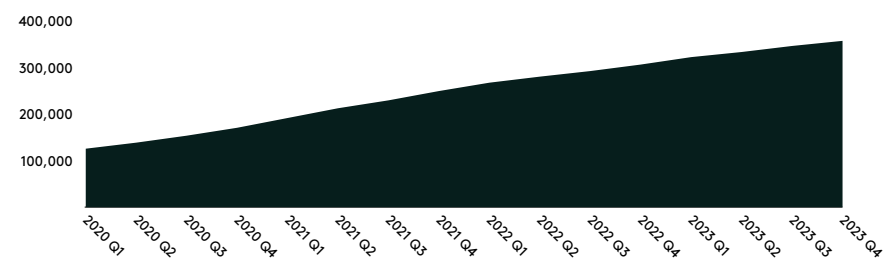
Volume per Quarter



Cumulative volume since start 2013



Number of registrations cumulatively since start 2013





# CEO Letter



Dear shareholder,

For the last financial report of the year, I am happy to present a quarterly report with a positive result, in line with the expectations of meeting the full effect of cost savings implemented in the past 18 months. During the fourth quarter we experienced momentum in the crypto market in anticipation for the approval of *Exchange-traded funds* (ETFs), with Bitcoin as an underlying asset, in combination with Safello's re-implementation of Swish as a payment method on the platform. This resulted in higher activity among existing and new customers. After year end, the firstspot Bitcoin ETFs were approved by the *U.S. Securities and Exchange Commission* (SEC), signaling that the acceptance of crypto is improving drastically which will increase the interest and access on a global scale. Bitcoin is maturing to become an accepted asset class among institutional investors. This is showcased by the large interest in producing equity traded products with Bitcoin as an underlying asset. Something that is anticipated for Ethereum as well.

Safello has continued to excel in volume and market share in Sweden while working to migrate from Handelsbanken to our new Swedish banking partner. Since the second quarter, we have continuously enhanced the operational resilience of the platform and invested in the financial infrastructure. A vital part of the migration process from the old bank to the new has been to ensure a stable transition, without interruption in daily operations, for Safello's 358 000 customers.

The crypto industry in Europe is facing a major shift as new regulations are being adopted and implemented. This changes the operational rules for industry peers and

creates a level playing field. The work of analyzing and implementing the upcoming regulations from the EU, has played a central part in the last quarter and investments have been made in order to deliver on the goals connected to these efforts. Compliance excellence is a prerequisite for Safello to maintain its market-leading position and serve law enforcement agencies with exchange services going forward. Safello will continue this work in 2024 and anticipates applying for a *Crypto Asset Service Provider* license the first date possible, which is communicated to be on the 31st of December 2024.

With the groundwork in place of securing a stable financial infrastructure and adding alternative payment methods on the platform, the product is ready for the next phase of growth. We will rapidly move forward adding new features and focus on enhancing the product, with the ambition to be competitive on a global scale. Safello will continue its mission to provide a safe and easy access to the decentralized economy for millions of people in the years to come, and the journey has just started.

**Kind 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 December 31, Safello had over 358,000 customers (347,000 customers per September 30) and had handled 1,025,000 orders (980,000), which corresponds to a volume of SEK 2,754 million (2,587).<sup>1</sup>

In the fourth quarter, order volumes<sup>2</sup> amounted to SEK 166.8 million, compared with SEK 141.5 million in the corresponding period prior year, which corresponds to an increase of 18 %. The order volume was SEK 51.6 million (50.4) in October, SEK 53.0 million (49.1) in November and SEK 62.2 million (42.0) in December.

Number of  
customers  
cumulatively per  
2023-12-31

**358,000**

Number of orders  
cumulatively per  
2023-12-31

**1,025,000**

Volume  
cumulative per  
2023-12-31  
(MSEK)

**2,754**

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)

**2,587**

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

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



# Comments about the period

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

### Net turnover

Net turnover for the fourth quarter amounted to SEK 171.9 million (SEK 145.2 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.

decrease of -32 % compared to the same period in prior year, which is a result from cost savings announced in the second quarter 2022. The remaining part consists of other operating expenses that amounted to SEK 4.5 million (3.1). The increase can largely be attributed to consulting costs to replace staff on parental leave.

### Other operating income

Other operating income amounted to SEK 0.1 million (0.1) in the period. For the full year, other operating income amounted to SEK 0.8 million (3.2), of which SEK 2.3 million refers to recovered VAT in the parent company Safello Group AB for fiscal year 2021.

### Operating profit/loss

Operating profit for the fourth quarter amounted to SEK 2.3 million (-3.0). The operating profit in the quarter is affected by a reversal of a previous write-down of long-term cryptocurrency assets of SEK 2.4 million (0.0). The reversal was made to reflect the market value at year end.

### Gross profit and gross margin

Gross profit amounted to SEK 9.3 million (8.0) and the gross margin to 5.4 % (5.5). 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.

### Net income

Net income for the fourth quarter amounted to SEK 2.3 million (-2.9).

### Operating expenses

Total operating expenses during the quarter amounted to SEK 9.2 million (10.0). Of these, personnel costs amounted to SEK 4.7 million (6.9), corresponding to a





## Financial standing and Cash Flow

### Goodwill and intangible fixed assets

Goodwill amounted to SEK 3.6 million as of 31 December (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 December 31, the book value of the investments amounted to SEK 9.7 million (4.9) and the acquisition value of the investments amounted to SEK 10.1 million (10.1). Safello made a reversal of prior write-downs of SEK 2.4 million (0.0) in the period to reflect the market value at year end. 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 0.7 million (1.9) as of 31 of December. The balance sheet item refers to capitalized expenses for development work in Safello Technology Development AB. In the fourth quarter no capitalization was made.

### Inventory

Inventories refers to cryptocurrencies for sale in the business. As of 31 December, inventories amounted to SEK 3.8 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, algorand, uniswap and USDC. Inventory is valued at acquisition value and the change in the period affects the gross profit with SEK 1.1 million compared with SEK -0.5 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 December, current receivables amounted to SEK 5.5 million (5.7).

### Cash and cash equivalents

Cash as of 31 December amounted to SEK 17.3 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 December 31, equity amounted to SEK 34.4 million (34.4). Transactions in equity since December 31 2022 are related to the result in the period of SEK -0.4 million (-21.5), as well as SEK 0.4 million (0.0) related to warrants for the board of directors and employees.

### 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 December 31, current liabilities amounted to SEK 6.7 million (7.1).

### Cash flow

Cash flow from operating activities amounted to SEK 0.5 million (SEK -0.4 million in the fourth quarter of 2022). Changes in working capital had an impact on cash flow by SEK -0.5 million (1.6).

Cash flow from investing activities amounted to SEK 0.0 million (0.0) and cash flow from financing activities amounted to SEK 0.0 million (0.0). Total cash flow for the fourth quarter amounted to SEK -0.5 million (-0.4).

### Dividend Proposal

The board of directors proposes to the annual general meeting that no dividend is paid to the shareholders for the financial year 2023 (0).



## Income statement in summary

The Group

Amount in KSEK

	2023-10-01 -2023-12-31 (3 months)	2022-10-01 -2022-12-31 (3 months)	2023-01-01 -2023-12-31 (12 months)	2022-01-01 -2022-12-31 (12 months)
Net sales	171,893	145,214	561,110	634,898
Activated work on own account	-	-	-	939
Other operating income	66	149	883	3,167
Cost of goods sold	-162,614	-137,346	-526,253	-606,652
<b>Gross profit</b>	<b>9,345</b>	<b>8,017</b>	<b>35,740</b>	<b>32,352</b>
Operating expenses	-4,547	-3,130	-15,743	-12,398
Personnel Expenses	-4,696	-6,858	-22,019	-32,339
<b>EBITDA</b>	<b>102</b>	<b>-1,971</b>	<b>-2,022</b>	<b>-12,384</b>
Depreciation and impairment (and reversal) of intangible and tangible fixed assets	2,218	-979	1,673	-9,123
<b>Operating profit/loss</b>	<b>2,320</b>	<b>-2,950</b>	<b>-350</b>	<b>-21,507</b>
Interest income and similar items	3	4	5	4
Interest expenses and similar items	-30	-	-103	-1
<b>Profit/loss after financial items</b>	<b>2,293</b>	<b>-2,948</b>	<b>-447</b>	<b>-21,505</b>
Tax on profit/loss in the period	-	-	-	5
<b>Net income in the period</b>	<b>2,293</b>	<b>-2,948</b>	<b>-447</b>	<b>-21,499</b>
<b>Attributable to:</b>				
The parent company's shareholders	2,293	-2,948	-447	-21,499
Minority interests	-	-	-	-



## Balance sheet in summary

The Group

Amount in KSEK

	2023-12-31	2022-12-31
<strong>Assets</strong>		
Goodwill	3,611	5,277
Cryptocurrency	9,690	4,883
Other intangible assets	654	1,932
Tangible fixed assets	201	277
Financial assets	333	333
<strong>Total fixed assets</strong>	<strong>14,488</strong>	<strong>12,702</strong>
Inventory	3,773	1,757
Current receivables	5,468	5,673
Short-term investments	42	38
Cash and cash equivalents	17,288	21,342
<strong>Total current assets</strong>	<strong>26,571</strong>	<strong>28,810</strong>
<strong>Total assets</strong>	<strong>41,060</strong>	<strong>41,512</strong>
<strong>Equity and liabilities</strong>		
Share capital	1,022	1,022
Other equity	33,360	33,361
<strong>Total equity</strong>	<strong>34,383</strong>	<strong>34,383</strong>
Current liabilities	6,677	7,129
<strong>Total current liabilities</strong>	<strong>6,677</strong>	<strong>7,129</strong>
<strong>Total equity and liabilities</strong>	<strong>41,060</strong>	<strong>41,512</strong>



## Changes in equity

The Group

Amount in KSEK

	Share capital	Other contributed capital	Other equity incl. the result for the period	Equity attrib. to parent company's share-holders	Total equity
<b>Equity 2022-01-01</b>	<b>1,022</b>	<b>101,392</b>	<b>-46,532</b>	<b>55,883</b>	<b>55,883</b>
Result for the period			-21,499	-21,499	-21,499
<b>Equity 2022-12-31</b>	<b>1,022</b>	<b>101,392</b>	<b>-68,031</b>	<b>34,383</b>	<b>34,383</b>
Issued warrants			447	447	447
Result for the period			-447	-447	-447
<b>Equity 2023-12-31</b>	<b>1,022</b>	<b>101,392</b>	<b>-68,031</b>	<b>34,383</b>	<b>34,383</b>



## Cash flow statement in summary

The Group

Amount in  
KSEK

	2023-10-01 -2023-12-31 (3 months)	2022-10-01 -2022-12-31 (3 months)	2023-01-01 -2023-12-31 (12 months)	2022-01-01 -2022-12-31 (12 months)
<b>Operations</b>				
Operating profit/loss	2,320	-2,950	-350	-21,507
<i>Adjustment for items not included in cash flow</i>				
Depreciation and write-downs (and reversal)	-2,219	997	-1,674	9,143
Received interest	3	4	5	4
Paid interest	-30	-	-103	-2
Paid income tax	-	-1	-	5
Net change in working capital	-528	1,590	-2,266	2,930
<b>Cash flow from operations</b>	<b>-454</b>	<b>-362</b>	<b>-4,388</b>	<b>-9,427</b>
Cash flow from investment activities	-42	-	-113	-1,101
Cash flow from financing activities	1	-	447	-
<b>Cash flow for the period/change in liquid funds</b>	<b>-495</b>	<b>-362</b>	<b>-4,054</b>	<b>-10,528</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>17,783</b>	<b>21,704</b>	<b>21,342</b>	<b>31,870</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>17,288</b>	<b>21,342</b>	<b>17,288</b>	<b>21,342</b>



## Income statement in summary

The parent company

Amount in KSEK

	2023-10-01 -2023-12-31 (3 months)	2022-10-01 -2022-12-31 (3 months)	2023-01-01 -2023-12-31 (12 months)	2022-01-01 -2022-12-31 (12 months)
Net sales	462	-441	2,307	3,000
Other operating income	2	-	17	2,275
<b>Gross profit</b>	<b>464</b>	<b>-441</b>	<b>2,324</b>	<b>5,275</b>
Operating expenses	-1,641	-1,185	-6,029	-4,553
Personnel Expenses	-1,478	-2,085	-7,502	-10,020
<b>EBITDA</b>	<b>-2,655</b>	<b>-3,710</b>	<b>-11,207</b>	<b>-9,299</b>
Depreciation and impairment of intangible and tangible fixed assets	2,400	-3	4,794	-5,300
<b>Operating profit/loss</b>	<b>-255</b>	<b>-3,713</b>	<b>-6,413</b>	<b>-14,598</b>
Profit/loss from participations in group companies	-	-	-	-500
Interest income and similar items	162	159	617	543
Interest expenses and similar items	-	-1	-10	-1
<b>Profit/loss after financial items</b>	<b>-93</b>	<b>-3,555</b>	<b>-5,806</b>	<b>-14,557</b>
Appropriations	5,000	-	5,000	-
Tax on profit/loss in the period	-	-	-	-
<b>Net income in the period</b>	<b>4,907</b>	<b>-3,555</b>	<b>-806</b>	<b>-14,557</b>



## Balance sheet in summary

The parent company

Amount in KSEK

	2023-12-31	2022-12-31
<b>Assets</b>		
Cryptocurrency	9,614	4,809
Tangible fixed assets	39	49
Financial assets	30,184	30,184
<b>Total fixed assets</b>	<b>39,836</b>	<b>35,042</b>
Current receivables	10,724	14,831
Short-term investments	42	38
Cash and cash equivalents	4,521	5,540
<b>Total current receivables</b>	<b>15,288</b>	<b>20,410</b>
<b>Total assets</b>	<b>55,124</b>	<b>55,452</b>
<b>Equity and liabilities</b>		
Share capital	1,022	1,022
Other equity	52,214	52,574
<b>Total equity</b>	<b>53,237</b>	<b>53,596</b>
Current liabilities	1,887	1,856
<b>Total current liabilities</b>	<b>1,887</b>	<b>1,856</b>
<b>Total equity and liabilities</b>	<b>55,124</b>	<b>55,452</b>



## Changes in equity

The parent company

Amount in KSEK

	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			-806	-806
Equity 2023-12-31	1,022	101,392	-49,178	53,237





## Cash flow analysis in summary

The parent company

Amount in KSEK

	2023-10-01 -2023-12-31 (3 months)	2022-10-01 -2022-12-31 (3 months)	2023-01-01 -2023-12-31 (12 months)	2022-01-01 -2022-12-31 (12 months)
<b>Operations</b>				
Operating profit	-255	-3,713	-6,413	-14,598
Adjustment for items not included in cash flow	-	-	-	-
Depreciation and write-downs (and reversal)	-2,400	20	-4,795	5,317
Group contributions	5,000	-	5,000	-
Received interest	162	159	617	543
Paid interest	-	-	-10	-1
Paid income tax	-	-	-	-
Net change in working capital	-3,998	1,641	4,135	-8,575
<b>Cash flow from operations</b>	<b>-1,491</b>	<b>-1,894</b>	<b>-1,466</b>	<b>-17,315</b>
Cash flow from investment activities	-	-	-	-803
Cash flow from financing activities	-	-	447	-38
<b>Cash flow for the period/change in liquid funds</b>	<b>-1,491</b>	<b>-1,894</b>	<b>-1,019</b>	<b>-18,156</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,012</b>	<b>7,434</b>	<b>5,540</b>	<b>23,696</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,521</b>	<b>5,540</b>	<b>4,521</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 fourth quarter was 22 (compared to 28 employees during the corresponding period in prior year). The average number of employees (full-time positions excluding consultants) during the fourth quarter was 19 (26). The number of employees at the end of the fourth quarter was 24 (28).

## 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 December, Safello Group AB had 2,160 shareholders (compared with 2,393 shareholders 31 December 2022).

Safello's share capital on 31 December 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 22,253,165 (21,440,668) after potential dilution. The average number of shares for the full year was 20,449,600 (20,449,600) before 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 registered customers, 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

5 April 2024	Annual report 2023
8 May 2024	Annual General Meeting 2023
17 May 2024	Interim report for the first quarter
23 August 2024	Interim report for the second quarter
15 November 2024	Interim report for the third quarter
21 February 2025	Year-end report 2024

*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 23 February 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.

## 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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