

Stockholm 2022

Interim Report

Third Quarter 2022 (1 July - 30 September 2022)



On Track with Steps Towards Profitability

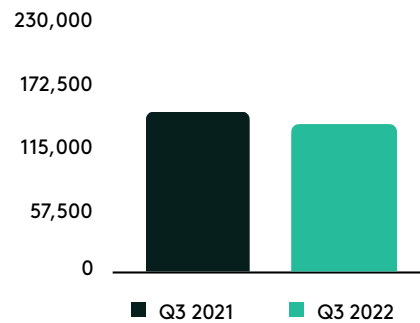
Summary of the third quarter (Jul-Sep 2022)

- Net turnover decreased by -5% and amounted to SEK 138.8 million (146.1).
- Gross profit increased by 11% and amounted to SEK 9.0 million (8.1), of which the introduction of withdrawal fees contributed SEK 2.0 million (0.0).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -0.9 million (-1.5).
- Operating profit amounted to SEK -1.9 million (-2.5).
- Net profit/loss in the period amounted to SEK -1.9 million (-2.5).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK -0.09 (-0.12).
- Earnings per share based on the average number of shares after potential dilution (21,440,668 shares) amounted to SEK -0.09 (-0.12).
- The number of executed orders increased by 1% to 54,097 orders (53 827).

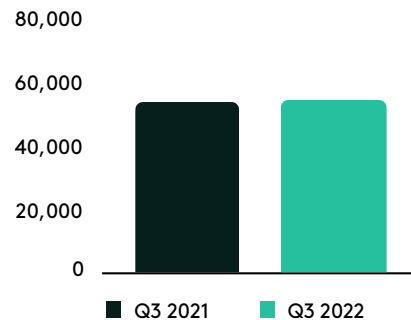
Summary of the first nine months (Jan-Sep 2022)

- Net turnover decreased by -10% and amounted to SEK 489.7 million (542.9).
- Gross profit decreased by -13% and amounted to SEK 24.3 million (28.0).
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -10.4 million (-5.0).
- Operating profit amounted to SEK -18.6 million (-7.5).
- Net profit/loss in the period amounted to SEK -18.6 million (-7.5).
- Earnings per share based on the average number of shares (20,449,600 shares) amounted to SEK -0.91 (-0.37).
- Earnings per share based on the average number of shares after potential dilution (21,440,668 shares) amounted to SEK -0.87 (-0.35).
- The number of executed orders in the period increased by 3% to 175,918 orders (170 888).
- The Group had a cash balance of SEK 21.7 million at the end of the third quarter (compared to SEK 31.9 million at year end 2021) and an additional 18 BTC (18) and 110 ETH (110) in liquid crypto assets. The market value of the crypto assets amounted to SEK 5.5 million (11.4) at the end of the third quarter. The investments in crypto assets are mainly booked in the parent company's balance sheet.

Volume from crypto trading (KSEK)



Number of crypto orders





Significant events during the second quarter

In July, Safello introduced a fee for withdrawing Bitcoin from Safello Wallet to other wallet addresses. At the end of September a fee was introduced also for withdrawing Ethereum. The fee has been introduced to be more in line with other players in the market.

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

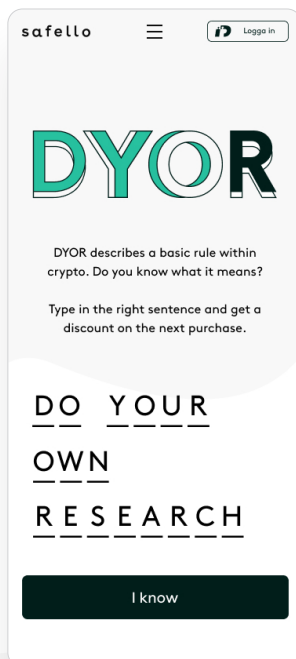
Johan Lorenzen notified the board on September 1 that he is resigning from his position as a board member with effect from 1 October 2022. The reason for the resignation is extended commitments outside Safello Group. After Johan Lorenzen's resignation, the board consists of Jacob Jacobsson (chairman), Sepehr Alavi, Knut Pedersen and Frank Schuil.

Safello AB (a wholly owned subsidiary of Safello Group AB) entered into an agreement with Blockchain.com at the end of September to provide OTC services. The OTC services enable Safello to trade larger volumes on behalf of its customers at bespoke fees. By entering into the agreement, Safello can meet the market's demand for OTC services for larger customers, which is a service that Safello intends to offer.

Significant events after the end of the reporting period

Safello launched its fall campaign DYOR in October. The purpose of the campaign is to create awareness and educate about crypto, as well as continue to establish Safello in the broader target group.

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





Results Summary for the Group and the Parent company

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

Results Summary

Group

	2022 Jul-Sep (3 months)	2021 Jul-Sep (3 months)	2022 Jan-Sep (9 months)	2021 Jan-Sep (9 months)	2021 Jan-Dec (12 months)
Net turnover (KSEK)	138,833	146,136	489,685	542,944	757,898
Gross Profit (KSEK)	9,011	8,140	24,335	27,996	36,905
EBITDA (KSEK)	-913	-1,497	-10,414	-5,018	-11,230
Operating Profit/loss (KSEK)	-1,891	-2,451	-18,557	-7,495	-14,675
Profit/loss after financial items (KSEK)	-1,890	-2,512	-18,557	-7,554	-14,736
Balance sheet totals (KSEK)	44,066	69,762	44,066	69,762	62,863
Acid-test ratio (%)	420 %	680 %	420 %	680 %	542 %
Equity/Asset ratio (%)	85 %	90 %	85 %	90 %	89 %

Results Summary

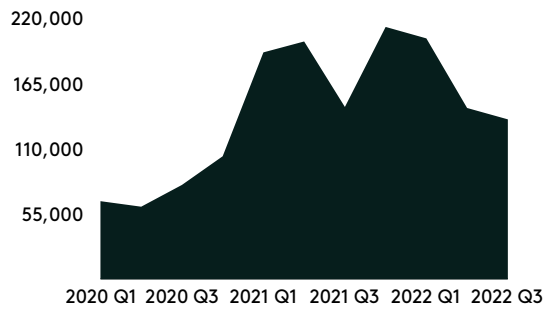
Parent Company - Safello Group AB

	2022 Jul-Sep (3 months)	2021 Jul-Sep (3 months)	2022 Jan-Sep (9 months)	2021 Jan-Sep (9 months)	2021 Jan-Dec (12 months)
Net turnover (KSEK)	956	-	3,440	-	4,384
Gross Profit (KSEK)	956	-	5,715	-	4,388
EBITDA (KSEK)	-2,322	-3,327	-5,588	-17,859	-18,008
Operating Profit/loss (KSEK)	-2,323	-3,327	-10,885	-17,859	-18,008
Profit/loss after financial items (KSEK)	-2,652	-3,388	-11,002	-17,918	-18,067
Balance sheet totals (KSEK)	59,242	68,671	59,242	68,671	70,538
Acid-test ratio (%)	1,156 %	2,266 %	1,156 %	2,266 %	1,278 %
Equity/Asset ratio (%)	96 %	98 %	96 %	98 %	97 %

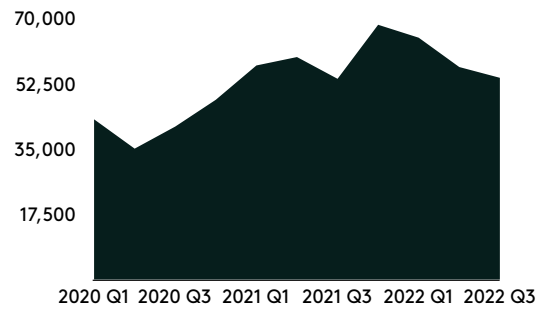


Key Metrics and Graphs

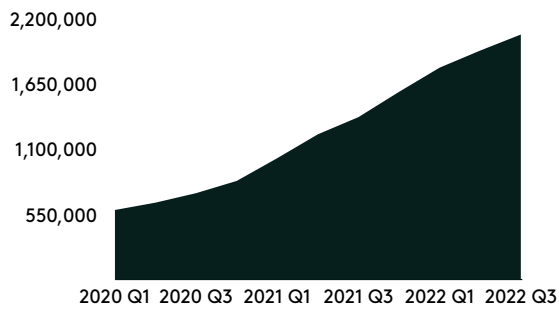
Volume per Quarter



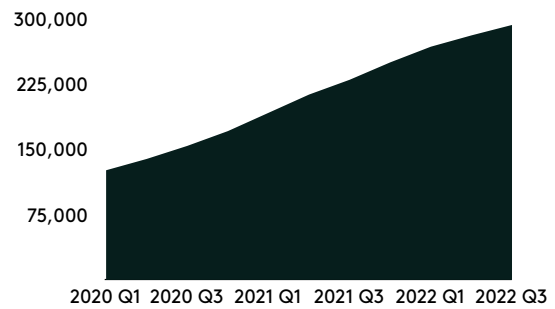
Number of Crypto orders per Quarter



Cumulative volume since start 2013



Number of registrations cumulatively since start 2013





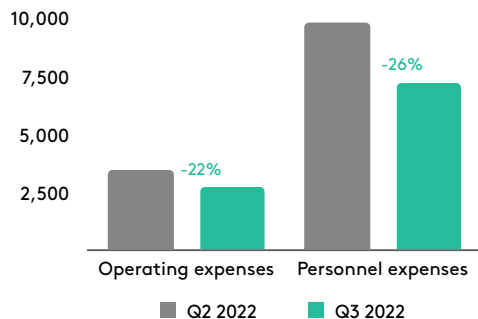
CEO Letter



Dear shareholder,

This is update #52. Our focus on results continues.

In the third quarter we reduced our burn rate and introduced withdrawal fees. These efforts and additional measures to streamline our operations have positively affected the third quarter. Our operating expenses were reduced from SEK -3.5 million in the second quarter to SEK -2.7 million in the third quarter while our gross profit increased from SEK 6.8 million to SEK 9.0 million corresponding periods. With the reduced headcount from 33 to 29 we improved our gross profit-per-employee ratio from 206 KSEK to 313 KSEK.



The impact on our EBITDA was a change from SEK -6,4 million in the second quarter to SEK -0.9 million in the third quarter. This demonstrates that we delivered on our plan to take concrete steps towards profitability. As termination periods end, the lower cost base should continue to impact results positively. From a trading volume perspective, Safello has weathered the crypto downturn better than the general market, and if the current trajectory holds, the coming quarters could see results improving further.

An important operational point is that we managed to not only carry the impact of the reduced headcount, but used it as an opportunity to achieve greater efficiency in our operations. This allowed us to continue developing our products at a high pace while investing in new opportunities, as was the goal. In the fourth quarter we anticipate that some of these will be released to the market.

The third pillar of focus in the third quarter was the community. Our DYOR campaign that went live in October was the first effort in this regard. It was well received and encouraged our users to do their own research, a popular mantra in the crypto community. We increased our social media presence too and continue our engagement with stakeholders in our Discord channel.

As for the macro picture, a larger move up or down is likely to occur in the fourth quarter. Geopolitical tension and inflation are leading indicators of sentiment. Unprecedented times can lead to unexpected outcomes, which is why our focus remains to stay on the path towards profitability for the coming quarters.

Kind regards,

Frank Schuil
CEO & co-founder Safello



Business Overview

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

As of September 30, Safello had over 293,000 customers (281,000 customers per 30 of June) and handled over 769,000 orders (715,000), which corresponds to a volume of over SEK 2,068 million (1,933)¹.

In the third quarter, order volumes² amounted to SEK 134.9 million, compared with SEK 145.4 million in the corresponding period prior year, which corresponds to a decrease of -7%. The order volume was SEK 38.1 million (36.8) in July, SEK 51.7 million (43.0) in August and SEK 45.1 million (65.6) in September.

Number of customers cumulatively per 2022-09-30

293,000

Numbers of orders cumulatively per 2022-09-30

769,000

Volume cumulatively per 2022-09-30 (MSEK)

2,068

Number of customers cumulatively per 2022-06-30

281,000

Numbers of orders cumulatively per 2022-06-30

715,000

Volume cumulatively per 2022-06-30 (MSEK)

1,933

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

² Based on Safellos internal data, rounded off to the nearest thousand in SEK.



Comments about the period

Results and development during the Third Quarter 2022 (Group)

Net turnover

Net turnover for the third quarter amounted to SEK 138.8 million (SEK 146.1 million for the corresponding period prior year). Net turnover refers to Safello's sale of cryptocurrency in inventory, fees on completed transactions and some revenue from affiliates.

Other operating income

Other operating income amounts to SEK 0.4 million (0.0) in the period, which mainly refers to exchange rate gains on operating receivables and liabilities. For the first nine months, other operating income amounted to SEK 3.0 million (0.0), 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 9.0 million (8.1) and the gross margin to 6.5% (5.6). As has been discussed in previous quarterly reports, the fee model has been improved over the past 12 months, by lowering the maximum fee and introducing a trading volume based tiered model. During the third quarter, 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. The withdrawal fees contributed to the gross profit by around SEK 2.0 million (0.0), thereby contributing around 1.4% (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 (9.6). Of these, personnel costs amounted to SEK 7.2 million (6.4), which corresponds to an increase of 12% compared to the third quarter 2021. However, the reduction in staff communicated in our report for the second quarter has contributed to a reduction in staff costs of around SEK 2.3 million compared to the second quarter of 2022. The remaining part consists of other operating expenses amounting to SEK 2.7 million (3.2), partly driven by lower costs for consultants.

Operating profit/loss

Operating profit for the third quarter amounted to SEK -1.9 million (-2.5).

Profit/loss after tax

Profit/loss after tax for the third quarter amounted to SEK -1.9 million (-2.5).

Financial standing and Cash Flow

Goodwill and intangible fixed assets

Goodwill amounted to SEK 5.7 million as of 30 September (SEK 6.9 million as of 31 December 2021) and represents the surplus value in connection with the acquisition of Rational Money AB minus depreciation. Goodwill amortization is made linearly over 5 years.



Cryptocurrencies classified as intangible assets are investments in liquid bitcoin and ether holdings booked at acquisition value. As of September 30, the book value of the investments amounted to SEK 4.9 million and the acquisition value of the investments amounted to SEK 10.1 million (10.1). Safello made a write-down of the book value to reflect a lower market value in the second quarter of 2022. The market value at the end of the third quarter amounted to SEK 5.5 million, which corresponds to an increase of SEK 0.6 million that was not recognized on 30 September. 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 2.5 million (3.0) as of 30 of September. 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 30 September, inventories amounted to SEK 2.1 million (4.3). The stock of cryptocurrencies is traded with high frequency and Safello holds on average an inventory of bitcoin, ether, polkadot, polygon and chainlink. Inventory is valued at acquisition value and the change in the period affects the gross profit with SEK 0.1 million compared with SEK 0.8 million in the corresponding period in prior year.

Current Receivables

Short-term receivables arise when Safello keeps liquidity (in EUR or other fiat-currencies) with counterparties such as crypto liquidity providers. As of 30 September, current receivables amounted to SEK 6.6 million (6.0).

Cash and cash equivalents

Cash as of 30 September amounted to SEK 21.7 million (31.9). Cash and cash equivalents exclude crypto holdings and liquidity held at crypto liquidity providers, hence these are classified as current receivables.

Equity

As of September 30, equity amounted to SEK 37.3 million (55.9). The change of SEK -18.5 million since December 31 2021 is related to the result in the period.

Current liabilities

Current liabilities consist of ongoing crypto transactions, accounts payable and other liabilities such as VAT, taxes and fees, holiday pay liabilities and VAT. As of September 30, current liabilities amounted to SEK 6.6 million (7.0).

Cash flow

Cash flow from operating activities amounted to SEK -2.8 million (SEK -1.3 million in the third quarter of 2021). Changes in working capital had an impact on cash flow by SEK -1.9 million (0.3).

Cash flow from investing activities amounted to SEK -0.1 million (-10.2) and cash flow from financing activities amounted to SEK 0.0 million (0.0). Total cash flow for the third quarter amounted to SEK -2.8 million (-11.4).



Income statement in summary

The Group

Amount in KSEK

	2022-07-01 -2022-09-30 (3 months)	2021-07-01 -2021-09-30 (3 months)	2022-01-01 -2022-09-30 (9 months)	2021-01-01 -2021-09-30 (9 months)	2021-01-01 -2021-12-31 (12 months)
Net sales	138,833	146,136	489,685	542,944	757,898
Activated work on own account	-	-	939	-	-
Other operating income	382	-	3,017	1	5
Cost of goods sold	-130,203	-137,997	-469,306	-514,949	-720,998
Gross profit	9,011	8,140	24,335	27,996	36,905
Operating expenses	2,707	-3,192	-9,268	-17,843	-25,398
Personnel expenses	-7,218	-6,444	-25,481	-15,171	-22,738
EBITDA	-913	-1,497	-10,414	-5,018	-11,230
Depreciation and impairment of intangible and tangible fixed assets	-978	-954	-8,144	-2,477	-3,445
Operating profit/loss	-1,891	-2,451	-18,557	-7,495	-14,675
Interest income and similar items	1	-	-	-	-
Interest expenses and similar items	-	-60	-	-59	-61
Profit/loss after financial items	-1,890	-2,512	-18,557	-7,554	-14,736
Tax on profit/loss in the period	-	-	6	-	-57
Net profit/loss in the period	-1,890	-2,512	-18,551	-7,554	-14,794
Attributable to:					
The parent company's shareholders	-1,890	-2,512	-18,551	-7,554	-14,794
Minority interests	-	-	-	-	-



Balance sheet in summary

The Group

Amount in KSEK

	2022-09-30	2021-09-30	2021-12-31
Assets			
Goodwill	5,694	7,361	6,944
Cryptocurrency	4,901	10,091	10,135
Other intangible assets	2,451	3,453	2,981
Tangible fixed assets	320	190	284
Financial assets	333	401	401
Total fixed assets	13,699	21,496	20,745
Inventory	2,077	3,088	4,253
Current receivables	6,567	3,040	5,994
Short-term investments	18	42	-
Cash and cash equivalents	21,704	42,095	31,870
Total current assets	30,367	48,265	42,117
Total assets	44,066	69,762	62,863
Equity and liabilities			
Share capital	1,022	1,022	1,022
Other equity	36,309	62,100	54,860
Total equity	37,331	63,122	55,883
Current liabilities	6,735	6,640	6,980
Total current liabilities	6,735	6,640	6,980
Total equity and liabilities	44,066	69,762	62,863



Changes in equity

The Group

Amount in KSEK

	Share capital	Un-registered share capital	Other contributed capital	Other equity incl. the result for the period	Equity attrib. to parent company's shareholders	Total equity
Equity 2021-01-01	99	7	54,317	-31,681	22,742	22,742
Bonus issue	742			-742	-	-
Registered new issue	7	-7			-	-
Non-cash issue	25		6,725		6,750	6,750
New issue	150		40,350		40,500	40,500
Warrants issued				684	684	684
Result for the period				-14,794	-14,794	-14,794
Equity 2021-12-31	1,022	-	101,392	-46,532	55,883	55,883
Result for the period				-18,551	-18,551	-18,551
Equity 2022-09-30	1,022	-	101,392	-65,083	37,331	37,331



Cash flow statement in summary

The Group

Amount in KSEK

	2022-07-01 -2022-09-30 (3 months)	2021-07-01 -2021-09-30 (3 months)	2022-01-01 -2022-09-30 (9 months)	2021-01-01 -2021-09-30 (9 months)	2021-01-01 -2021-12-31 (12 months)
Operations					
Operating profit/loss	-1,891	-2,451	-18,557	-7,495	-14,675
Adjustment for items not included in cash flow					
Depreciation and write -downs	978	954	8,146	2,477	3,445
Realization results	-	-	-	-	-
Received interest	1	-	-	-	-
Paid interest	-	-60	-	-59	-61
Paid income tax	-	-	6	-18	-172
Net change in working capital	-1,876	282	1,340	961	-2,390
Cash flow from operations	-2,788	-1,275	-9,065	-4,134	-13,853
Cash flow from investment activities	-52	-10,155	-1,101	-11,963	-12,469
Cash flow from financing activities	-	-	-	41,184	41,184
Cash flow for the period/change in liquid funds	-2,840	-11,430	-10,166	25,087	14,862
Cash and cash equivalents at the beginning of the period	24,544	53,525	31,870	17,008	17,008
Cash and cash equivalents at the end of the period	21,704	42,095	21,704	42,095	31,870



Income statement in summary

The parent company

Amount in KSEK

	2022-07-01 -2022-09-30 (3 months)	2021-07-01 -2021-09-30 (3 months)	2022-01-01 -2022-09-30 (9 months)	2021-01-01 -2021-09-30 (9 months)	2021-01-01 -2021-12-31 (12 months)
Net sales	956	-	3,440	-	4,384
Other operating income	-	-	2,275	-	4
Gross profit	956	-	5,715	-	4,388
Operating expenses	-1,118	-1,168	-3,368	-13,223	-15,443
Personnel expenses	-2,160	-2,160	-7,936	-4,636	-6,953
EBITDA	-2,322	-3,327	-5,588	-17,859	-18,008
Depreciation and impairment of intangible and tangible fixed assets	-1	-	-5,297	-	-
Operating profit/loss	-2,323	-3,327	-10,885	-17,859	-18,008
Profit/loss from participations in group companies	-500	-	-500	-	-
Interest income and similar items	171	-	383	-	-
Interest expenses and similar items	-	-60	-	-59	-59
Profit/loss after financial items	-2,652	-3,388	-11,002	-17,918	-18,067
Appropriations	-	-	-	-	895
Tax on profit/loss in the period	-	-	-	-	-
Net profit/loss in the period	-2,652	-3,388	-11,002	-17,918	-17,172



Balance sheet in summary

The parent company

Amount in KSEK

	2022-09-30	2021-09-30	2021-12-31
Assets			
Cryptocurrency	4,827	10,091	10,123
Tangible fixed assets	52	-	-
Financial assets	30,184	29,934	29,934
Total fixed assets	35,063	40,025	40,056
Current receivables	16,727	1,597	6,786
Short-term investments	18	-	-
Cash and cash equivalents	7,434	27,049	23,696
Total current receivables	24,179	28,647	30,482
Total assets	59,242	68,671	70,538
Equity and liabilities			
Share capital	1,022	1,022	1,022
Other equity	56,128	66,384	67,130
Total equity	57,151	67,407	68,153
Current liabilities	2,091	1,264	2,386
Total current liabilities	2,091	1,264	2,386
Total equity and liabilities	59,242	68,671	70,538



Changes in equity

The parent company

Amount in KSEK

	Share capital	Unregistered share capital	Share premium reserve	Non-restricted equity incl. the result for the period	Total equity
Equity 2021-01-01	99	7	54,317	-17,032	37,391
Bonus issue	742			-742	-
Registered new issue	7	-7			-
Non-cash issue	25		6,725		6,750
New issue	150		40,350		40,500
Warrants issued				684	684
Result for the period				-17,172	-17,172
Equity 2021-12-31	1,022	-	101,392	-34,262	68,153
Result for the period				-11,002	-11,002
Equity 2022-09-30	1,022	-	101,392	-45,264	57,151



Cash flow analysis in summary

The parent company

Amount in KSEK

	2022-07-01 -2022-09-30 (3 months)	2021-07-01 -2021-09-30 (3 months)	2022-01-01 -2022-09-30 (9 months)	2021-01-01 -2021-09-30 (9 months)	2021-01-01 -2021-12-31 (12 months)
Operations					
Operating profit	-2,323	-3,327	-10,885	-17,859	-18,008
Adjustment for items not included in cash flow					
Depreciation and write-downs	-	-	5,297	-	-
Group contributions	-	-	-	-	895
Received interest	171	-	383	-	-
Paid interest	-	-60	-	-59	-59
Paid income tax	-	-	-	-18	-
Net change in working capital	-300	-479	-10,254	4,765	667
Cash flow from operations	-2,452	-3,867	-15,459	-13,171	-16,505
Cash flow from investment activities	-52	-10,090	-803	-12,103	-12,123
Cash flow from financing activities	-	-	-	41,184	41,184
Cash flow for the period/change in liquid funds	-2,504	-13,957	-16,262	15,910	12,556
Cash and cash equivalents at the beginning of the period	9,938	41,006	23,696	11,140	11,140
Cash and cash equivalents at the end of the period	7,434	27,049	7,434	27,049	23,696



Additional information

Transactions with related parties

No transactions with related parties have taken place.

Employees

The average number of employees in the Group, including consultants, during the third quarter was 30 (compared to 26 employees during the corresponding period in prior year). The average number of employees (full-time positions excluding consultants) during the third quarter was 29 (23). The number of employees at the end of the third quarter was 27 (29).

Off balance sheet items

Safello treats cryptocurrencies belonging to customers as accounting funds held on behalf of each customer, and with the exception of what is necessary to practically carry out transfers of cryptocurrencies for customers, cryptocurrencies belonging to customers are always stored in a separate wallet based on Fireblock's digital infrastructure. Balances regarding each customer are kept in an internal ledger, and the net of the customers' crypto assets is sent regularly to the separate wallet to ensure separation of client funds. As these funds do not belong to Safello and are stored separately, the company will not include these assets and liabilities on the balance sheet.

Shareholders and Share Capital

On 30 September, Safello Group AB had 2,441 shareholders (compared with 2,534 shareholders at 31 of December 2021).

Safello's share capital on 30 September 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. The Swedish version of 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 BFAR 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.

Adjusted equity

Equity with additions for untaxed reserves reduced by deferred tax.

Acid-test ratio (%)

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

Equity ratio (%)

Adjusted equity as a percentage of balance sheet total.



Earnings per share before dilution

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

Earnings per share after dilution

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

Financial Calendar

18 November 2022	Interim report for the third quarter
24 February 2023	Year-end report 2022
31 March 2023	Annual report 2022
4 May 2023	Annual General Meeting 2022
13 May 2023	Interim report for the first quarter
26 August 2023	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 November 18 at 8:00 CET 2022.

Certified Adviser

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

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Important information

This statement has been made in a Swedish and English version. In the event of any discrepancies between the Swedish and English version, the Swedish version shall prevail.

For further information, please contact:

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