



Interim Report Q4 2022

“Ending 2022 with a solid order intake and continuous focus on profitability”



“Ending 2022 with a solid order intake and continuous focus on profitability”

- Annual recurring revenue (ARR) growth of 28% to 41,3 MSEK.
- Recurring revenue amounts to 9,5 MSEK compared to 7,5 MSEK last year (+27%).
- EBIT of -5,3 MSEK on par with result for Q4 last year. Bottom-line result at -55% of net sales compared to -69% one year ago.
- Quarterly churn at 5,5%
- Q4 includes a write-off for a US insurance customer, affecting the Q4 comparability in sales (-0,5 MSEK), operating expenses (-0,8 MSEK), gross margin (-1,2%), ARR (-1,8 MSEK), ARR Growth year-on-year (-6%) and churn (-4,4%).



Summary of Interim Report

Full year (2022-01-01 to 2022-12-31)

- Net revenue amounted to 35 825 (26 796) TSEK (+34%).
- Loss after financials amounted to -17 127 (-23 320) TSEK.
- Loss per share before dilution amounted to -0,49 (-0,84) SEK.
- Loss per share after dilution amounted to -0,48 (-0,79) SEK.

SaaS Traction

Fourth quarter (2022-10-01 to 2022-12-31)

- Annual recurring revenue (ARR) at the end of Q4 2022 reached 41 325 (32 186) TSEK, a year-on-year increase of +28%.
- Recurring revenue increased 27% to 9 517 (7 480) TSEK, which represents 99% (100%) of the quarterly revenue.
- Churn for the quarter was 5,5%.
- Net revenue retention was 95,8%.

Fourth quarter (2022-10-01 to 2022-12-31)

- Net revenue amounted to 9 583 (7 452) TSEK (+35%).
- Loss after financials amounted to -5 311 (-5 158) TSEK.
- Loss per share before dilution amounted to -0,15 (-0,17) SEK.
- Loss per share after dilution amounted to -0,15 (-0,16) SEK.
- The solidity increased to 65 (56) %.



Message from the CEO

“Ending 2022 with a solid order intake and continuous focus on profitability”



Safeture continues to deliver new sales above our targets also for the fourth quarter and thus for all quarters of 2022. Sales amounted to 10 MSEK. With 41 MSEK of Annual Recurring Revenue (ARR). However, as already highlighted in the report, the numbers are affected by a one-time write-off related to a US-based customer, negatively affecting the ARR growth year-on-year with 6%. But let me come back to that.

In November, we completed an over-subscribed rights issue, raising 27 MSEK in cash. The new cash position gives us the financial stability needed to become profitable. Growing sales in 2023, combined with a nearly flat cost base and increased gross margins, will drive a steady improvement of our bottom-line throughout the coming year.

Steady inflow of partners

In the fourth quarter, we saw a nice inflow of new partners in our partner network, primarily from the security sector. Worth mentioning are Plan4risk, Med Con Team and NSSG, bringing the number partners in our partner program to over 30. We also signed partner agreements with additional risk intelligence providers, which will contribute and guarantee the quality and quantity of the content in the platform.

Throughout 2022, partners contributed to +80 % of new sales and the partner churn rate is zero. We will continue to invest in our partners and divest in direct sales. This quarter we have, being cautiously pre-emptive, decided to take a 100 % write-down of a customer receivable for one of our direct clients. It is a US start-up, which we really believe in, but due to financial shakiness and uncertainty in venture capital funding we decided to write it down to zero. This will cause a 4,4% churn and cause the NRR to drop under 100, coming in at 95,8%.



Message from the CEO

Enhancing our partner offerings

We are constantly looking for ways to improve the versatility of our technology platform and are continuously adding new features and products. Among the product launches during 2022, I would like to present one of them a bit further to underline its' potential. Last quarter we launched a Freemium. A free limited version of Safeture with a twist. It is a pure partner product.

Only our partners can offer Freemium to their prospects. It serves three purposes;

1. Strengthen our partner relationship with additional touchpoints
2. Assisting partners in their sales efforts when combining their offering in medical/security assistance with state-of-the-art technology and thereby increasing their revenue generation
3. Shorten sales lead times

Efficient client onboarding

I would also like to acknowledge the work of our client success team. It was formed less than two years ago and consists of just four people. The team has full responsibility for onboarding and developing of our clients. In the fourth quarter they onboarded 15 new clients and the vast majority being partner clients (78 % of new revenue comes from partners). The average onboarding time is 12 days. It is a fantastic number given the size and complexity of the accounts, number of users and permissions in relation to functionality and integrations that need to be enabled.

As we strive to provide an enterprise solution, we recognize that full automation may not be possible, but we remain committed to continuous improvement in this area. This will play a crucial role in our Net Revenue Retention (NRR) potential among our existing customer base.

Next step is profitability

Despite global instability and inflation, Safeture has established a strong foundation. With the unwavering support of our shareholders, we are now poised to take the next step. We enter 2023 with a robust pipeline, a stable and growing partner network, cash reserves and an improved financial stability. We are proud to lead the way in people risk management, protecting companies' most valuable assets – their employees.



Magnus Hultman, CEO at Safeture

Lund 15-02-2023



Safeture

About Safeture

About Safeture AB

Safeture is a Swedish Software as a Service (SaaS) company that offers an advanced open platform within the area ERCM (Employee Risk & Crisis Management). We offer medical-, risk- and security assistance providers the ability to effectively automate medical, safety and security processes by collecting risk information, employee location and facilitate communication - all in the same platform.

History & Vision

The Company was founded in 2009, triggered by the experience of the global SARS epidemic, the Indian Ocean tsunami and the Mumbai terror attacks, where lives could have been saved if people had been warned earlier and received more information. The company was listed in 2014.

Our vision is to save lives and to prevent harm by making risk, safety and security information available to users at the right time, no matter where they are. We will achieve this by providing the best platform and content that enables implementation of risk, safety and security processes and distribution of reliable information to individuals and organizations.

Financial Targets Mid-term

- Average sales growth of at least 30% (year-on-year).
- Continuously improved margins from current level to above 80%
- Continuous growth of ARR with the aim to be profitable at an ARR of 65 MSEK.

Sales & Strategy

Safeture's global sales strategy is to target assistance providers and offer them a best-in-class open platform for employee safety. The business model is SaaS, Software as a Service, where close to 100% of our revenue is recurring revenue. More than 80% of our revenue originates from customers in Europe, 15% from customers in the US and 5% from Southeast Asia.

Research & Development

Research and development are prioritized areas within Safeture, and we operate in a market area that is still immature. The company invests continuously in research and development to maintain its technological lead. Thanks to a close cooperation with our partners, we develop and adapt our products continuously. The cutting-edge knowledge that we gather from the cooperation with our partners is used in our technical development to invent new solutions and keep our advantage in relation to our competitors.

Risks & Uncertainties

Safeture is exposed to general business related and financially related risks. These risks are described more in detail in the Annual Report for 2021, available on the company's web page.

Organization & Personnel

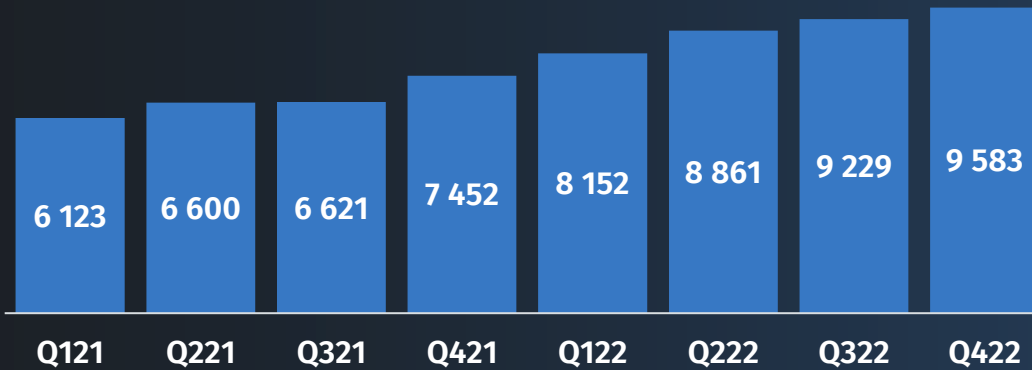
The average number of employees in the parent company during 2022 amounted to 36 (41). The corresponding figure for the Group amounted to 36 (43).



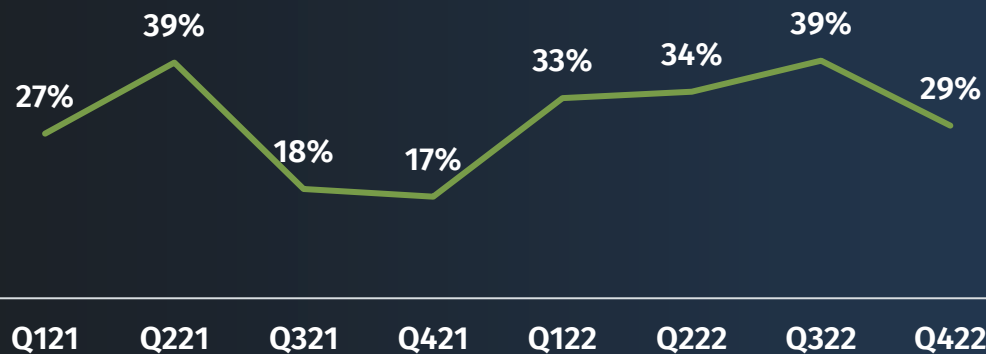
Safeture

Financial Review

■ Revenue (KSEK)



— Growth rate YoY



Revenue

Net revenue for Q4 reached 9 583 TSEK (7 452 KSEK), an increase of +29% YoY.

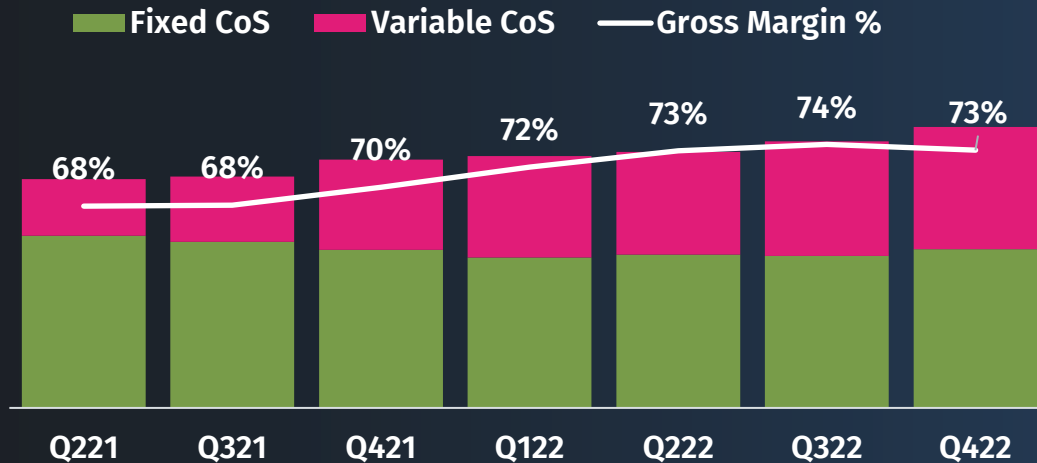
Q4 sales was adjusted for revenues connected to the US client write-off, affecting the quarter revenues with -452 KSEK.

The entire organisation is fully focused on planning, developing, marketing and selling the best possible platform to partners within medical and risk/security assistance services. In Q4, 79% of both new business and upsell was originated from this customer segment.



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Financial Review



Margins & Result

The gross margin in the quarter decreased to 73%, mainly due to revenue adjustments related to the US write-off. There is a high portion of fixed cost related to running the platform and a growing installed user base will continue to drive the positive trend we have seen in the gross margin for the past years.

Operating expenses are -1 891 TSEK higher compared to Q4 last year. The one-time customer write-off of -839 TSEK combined with temporary higher consultant fees related to the ISO 27K certification and slightly higher salary cost are affecting the operating expense level.

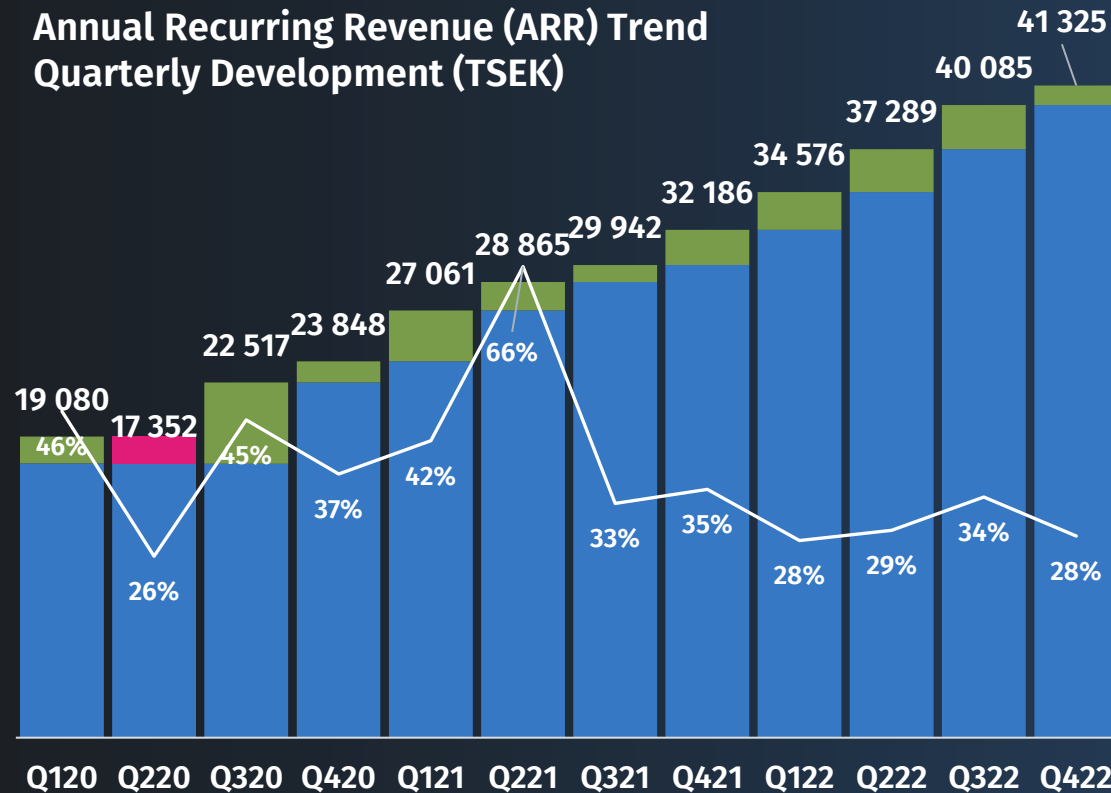
The result of -5 311 TSEK, including the write-off effect of -1 291 TSEK, is more or less flat compared to last year. However, increasing revenues combined with increased gross margins improves EBIT % from -69% to -55%.



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SaaS Metrics

Annual Recurring Revenue (ARR) Trend
Quarterly Development (TSEK)



Annual Recurring Revenues (ARR)

The annual recurring revenue (ARR) grew to 41 325 KSEK, corresponding to a growth rate of 28% YoY and 3% QoQ.

The ARR is affected by the write-off with 1 804 KSEK, since we consider the client churned until we receive the funds. Net growth in ARR compared to previous quarter and Q4 last year was 1 240 KSEK and 9 139 KSEK respectively.

ARR growth year-on-year, excluding the write-off, would have been 34%.

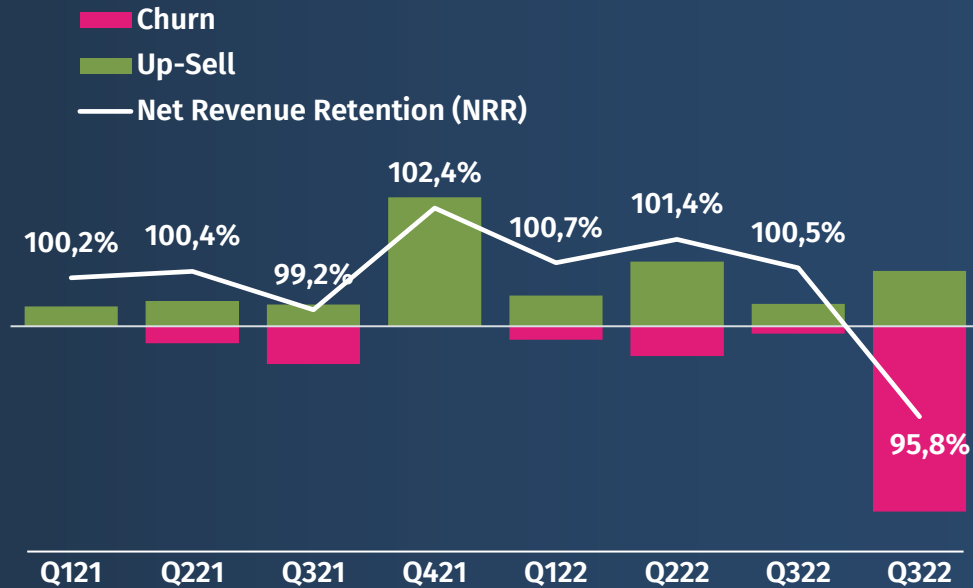
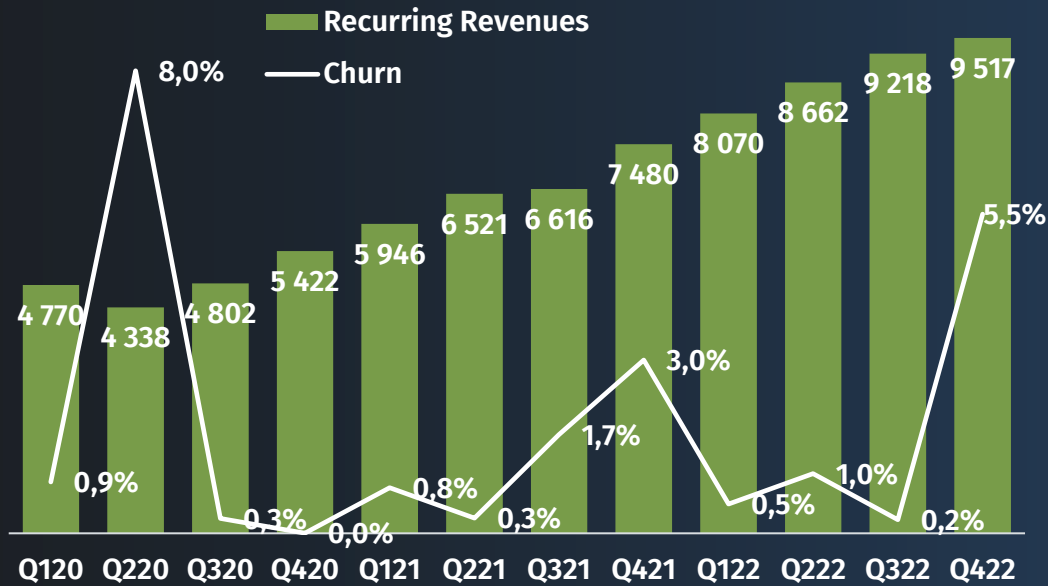


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SaaS Metrics

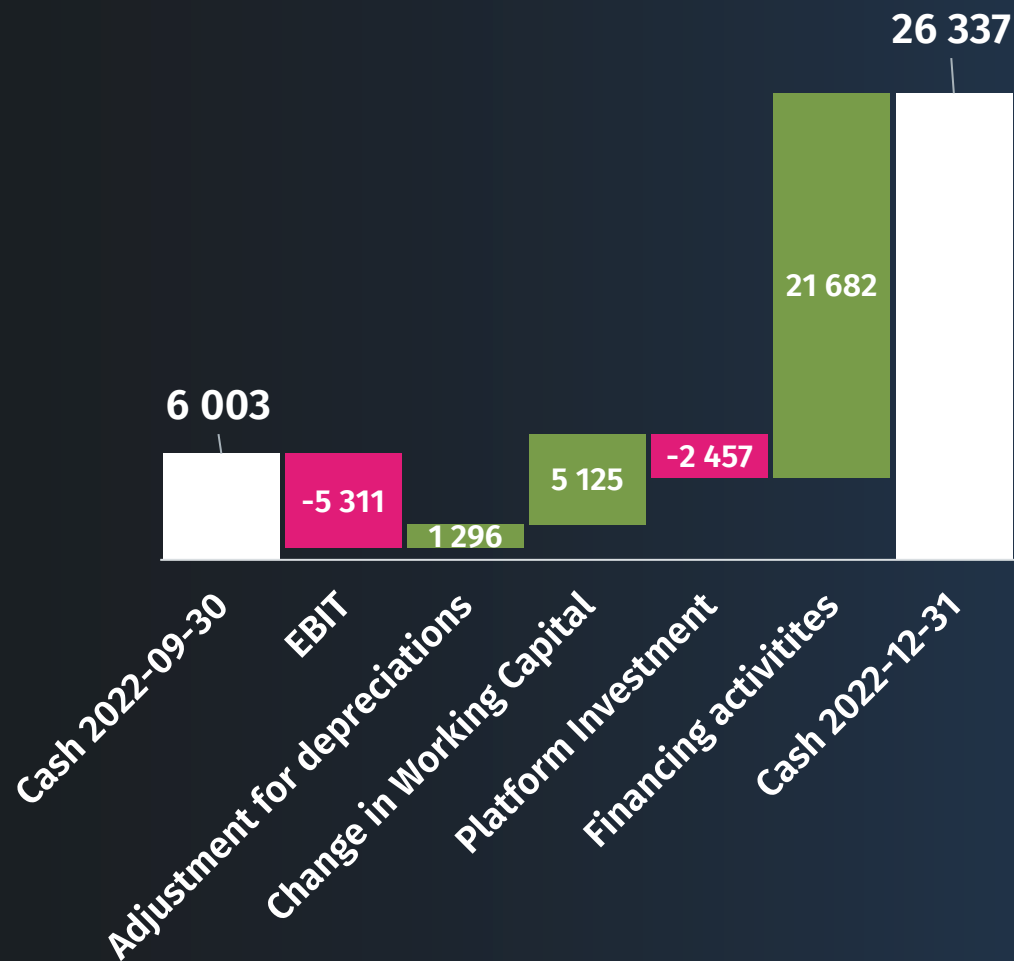
TSEK	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422
Recurring Revenues	5 946	6 521	6 616	7 480	8 070	8 662	9 218	9 517
Recurring Revenues/ Total Revenues	97%	99%	100%	100%	99%	98%	100%	99%
Annual Recurring Revenues (ARR)	27 061	28 865	29 942	32 186	34 576	37 289	40 085	41 325
Churn*	0,8%	0,3%	1,7%	3,0%	0,5%	1,0%	0,2%	5,5%
Net Revenue Retention (NRR)		100,4%	99,2%	102,4%	100,7%	101,4%	100,5%	95,8%

* One-time write-off affecting churn with -4,4% in Q4.



Safeture

Cashflow



Liquidity

Cash in bank for the Group, as of December 31, 2022 amounts to 26 337 (18 065) TSEK. Q4 cash-flow for the Group amounts to + 20 334 (- 3 061) TSEK. Many clients are invoiced yearly in advance, at the time for the yearly subscription renewal, which implies cash flow fluctuations between the quarters.

In Q4 Safeture finalised a direct issue, bringing in 26 079 TSEK (after expenses). In January Safeture entered into a financing agreement for the provision of loans of up to 10 MSEK with Safeture's largest shareholder Agarth AB. During Q3 Safeture utilized 5 MSEK of the loan provision which was refunded in Q4.

Investments

Q4 investments in intangible and tangible assets amounted to 2 457 (1 770) TSEK. The investment consists of capitalized platform development cost.

Solidity

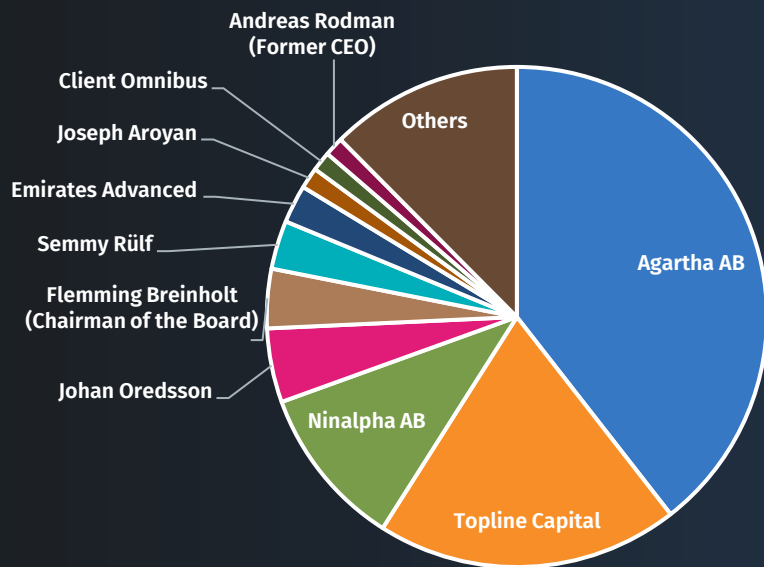
The solidity of the Group as of December 31, 2022 compared to last year increased to 65 (56) %.



The Safeture Share

There is only one class of shares in Safeture AB. The company shares are listed on Nasdaq First North Growth Market in Stockholm under the abbreviation, “SFTR”. As of December 31, 2022, the Company has issued 39 147 043 (30 113 110) shares. The average number of shares for Q4 2022 amounted to 34 630 077 (30 113 110) shares.

The schedule below shows the ten largest shareholders, and the number of shares they own in Safeture AB, as of December 31, 2022.



	Amount of shares	%
Agarthia AB	15 447 704	39,46%
Topline Capital	7 653 350	19,55%
Ninalpha AB	4 100 507	10,47%
Johan Oredsson	1 873 710	4,79%
Flemming Breinholt (CoB)	1 500 000	3,83%
Semmy Rülff	1 228 380	3,14%
Emirates Advanced	960 374	2,45%
Joseph Aroyan	535 549	1,37%
Client Omnibus	491 794	1,26%
Andreas Rodman (Former CEO)	482 745	1,23%
Others	4 872 930	12,45%
TOTAL	39 147 043	100%



Safeture

Share Options

Share Option Program 2020/2023

On June 4th, 2020, a general meeting was held and decided on a directed issue of 200 000 share options of series 2020/2023 to employees at Safeture AB. 175 000 share options were subscribed. The share options were issued at the price of 1,56 SEK per option. The subscription price for exercising the share options amounts to 16,55 SEK per option. The share options may be exercised during the period June 5th, 2023 – June 15th, 2023. One (1) share option gives the right to subscribe for one (1) new share.

Share Option Program 2021/2024

On May 20th, 2021, a general meeting was held and decided on a directed issue of 350 000 share options of series 2021/2024 to board members (300 000) and employees (50 000) at Safeture AB. 350 000 share options were subscribed. The share options were issued at the price of 1,36 SEK per option. The subscription price for exercising the share options amounts to 15,72 SEK per option. The share options may be exercised during the period June 4th, 2024 – June 14th, 2024. One (1) share option gives the right to subscribe for one (1) new share.

Share Option Program 2022/2025

On May 19th, 2022, a general meeting was held and decided on a directed issue of 1 000 000 share options of series 2022/2025 to board members (400 000) and employees (600 000) at Safeture AB. 250 000 was subscribed by board member and 456 000 was subscribed by employees. The share options were issued at the price of 0,55 SEK per option. The subscription price for exercising the share options amounts to 4,88 SEK per option. The share options may be exercised during the period June 2nd – June 13th, 2024. One (1) share option gives the right to subscribe for one (1) new share.



Safeture

Other

Related Party Transactions

During the fourth quarter 2022 Flemming Breinholt, chairman of the board of Safeture AB, has received 100 TSEK as remuneration for management services.

The Group

The Group comprises the Parent company, including subsidiaries. On December 31, 2022, the Parent company owned 100% of the shares in GWS Production (Singapore) Pte Ltd and 99,99% of the shares in GWS do Brasil Soluções e Sistemas Tecnológicos em Seguranca Ltda.

General accounting principles

The Interim Report has been established in accordance with Årsredovisningslagen (1995:1554) and BFNAR 2012:1, Årsredovisning och koncernredovisning (K3). General accounting principles applied is coherent with the accounting principles used when establishing the 2021 Annual Report.

Audit

The Interim Report has not been audited by the Company's auditors.

Financial calendar

The company establish and publish a financial report every quarter. Upcoming reports are planned as per below:

Annual Report 2022	2023-04-13
Q1 Interim Report 2023	2023-04-20
Annual General Meeting	2023-05-25
Q2 Interim Report 2023	2023-07-20
Q3 Interim Report 2023	2023-10-20

Previous reports are available on the company web page:

<https://investor.safeture.com/arsredovisningar-och-rappporter/>

Certified Adviser

Erik Penser Bank AB is the Certified Adviser of Safeture.



Income Statement - Group

TSEK	Q4 2022	Q4 2021	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Revenue	9 583	7 452	35 825	26 796
Own work capitalised	2 457	1 770	8 115	6 360
Other income	-330	371	647	447
Total revenue	11 710	9 592	44 587	33 603
Operating costs	-15 691	-13 608	-56 668	-52 655
Depreciation	-1 296	-1 115	-4 921	-4 160
Operative result	-5 278	-5 131	-17 002	-23 212
Finance net	-34	-16	-123	-80
Result after financials	-5 311	-5 146	-17 125	-23 292
Tax	0	-11	-3	-27
Result after tax	-5 311	-5 158	-17 127	-23 320



Balance Statement - Group

Assets

TSEK	2022-12-31	2021-12-31	2020-12-30
Fixed Assets			
Intangible Assets	16 065	12 583	10 094
Tangible Assets	791	1 082	1 371
Financial Assets	0	1 354	1 232
Fixed Assets	16 856	15 019	12 697
Current Assets			
Short-term Receivables	8 407	10 740	14 587
Cash & bank	26 337	18 065	1 288
Current Assets	34 744	28 805	15 875
Assets	51 600	43 824	28 572

Equity & Liabilities

TSEK	2022-12-31	2021-12-31	2020-12-30
Restricted Equity			
Share Capital	3 132	2 409	2 041
Fund for Dev. cost	15 529	11 948	8 737
Non-restricted Equity			
Share Premium*	188 770	163 025	124 277
Retained Earnings	-156 403	-129 512	-102 980
Result for the period	-17 127	-23 318	-23 320
Minority interest	0	0	0
Equity	33 901	24 552	8 755
Short-term Liabilities	17 699	19 272	18 960
Long-term Liabilities	0	0	857
Equity & Liabilities	51 600	43 824	28 572

* Direct issue in Q1 2021 of 4,6 million shares at 8,40 SEK each.

* Direct issue in Q4 2022 of 9,0 million shares at 3 SEK each.



Safeture

Cashflow - Group

TSEK	2022-10-01 2022-12-31	2021-01-01 2021-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operative Result	-5 278	-5 131	-17 002	-23 213
Adjustment for Depreciation & Other items	1 296	1 115	4 921	4 160
Interest Received /Paid	-34	-27	-129	-107
Cashflow from changes in Working capital	5 125	3 088	1 632	4 160
Cashflow from Operating Activities	1 109	-955	-10 578	-15 000
Cashflow from Investing Activities	-2 457	-1 770	-8 115	-6 360
Cashflow from Financing Activities	21 682	-336	26 965	38 137
Cashflow for the period	20 334	-3 061	8 272	16 777
Cash at the beginning of the period	6 003	21 126	18 065	1 288
Cash at the end of the period	26 337	18 065	26 337	18 065



Data per Share – Group

	2022-10-01 2022-12-31	2021-10-01 2021-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Number of shares before dilution (at period end)	39 147 043	30 113 110	39 147 043	30 113 110
Number of shares after dilution* (at period end)	40 378 043	31 708 990	40 378 043	31 708 990
Average number of shares before dilution	34 630 077	30 113 110	34 630 077	27 813 110
Average number of shares after dilution*	35 508 077	32 105 990	36 043 517	29 630 990
Number of shares at period end	39 147 043	30 113 110	39 147 043	30 113 110
Loss per share before dilution (calculated on average number of shares)	-0,15	-0,17	-0,49	-0,84
Loss per share after dilution* (calculated on average number of shares)	-0,15	-0,16	-0,48	-0,79

* Dilution take into account total number of outstanding share options.



Changes in Equity – Group

TSEK	Share Capital	Fund for Dev. costs	Share Premium	Ret. earnings incl. loss	Total equity
2021-01-01	2 041	8 737	124 277	-126 301	8 755
Issue new shares	368	-	38 748	-	39 116
Reposting	-	3 211	-	-3 209	2
Loss for the period	-	-	-	-23 320	-23 320
2021-12-31	2 409	11 948	163 025	-152 830	24 552
Issue new shares	723	-	25 745	-	26 468
Reposting	-	3 581	-	-3 573	8
Loss for the period	-	-	-	-17 127	-17 127
2022-12-31	3 132	15 529	188 770	-173 528	33 901



Income Statement - Parent

TSEK	Q4 2022	Q4 2021	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Revenue	9 584	7 452	35 826	26 796
Own work capitalised	2 457	1 770	8 115	6 360
Other income	-330	371	647	447
Total revenue	11 711	9 594	44 587	33 603
Operating costs	-15 633	-13 607	-56 559	-52 701
Depreciation	-1 296	-1 115	-4 921	-4 159
Operative result	-5 219	-5 128	-16 893	-23 257
Finance Net	-75	-49	-162	-108
Result after financials	-5 294	-5 178	-17 055	-23 365
Tax	0	0	0	0
Result after tax	-5 294	-5 178	-17 055	-23 365



Balance Statement - Parent

Assets

TSEK	2022-12-31	2021-12-31	2020-12-31
Fixed Assets			
Intangible Assets	16 065	12 583	10 094
Tangible Assets	791	1 079	1 367
Financial Assets	88	1 442	1 320
Fixed Assets	16 944	15 104	12 781
Current Assets			
Short-term Receivables	8 380	10 720	14 566
Cash & Bank	26 337	17 984	1 228
Current Assets	34 717	28 704	15 794
Assets	51 660	43 806	28 576

Equity & Liabilities

TSEK	2022-12-31	2021-12-31	2020-12-31
Restricted Equity			
Share Capital	3 132	2 409	2 041
Fund for Dev. cost	15 529	11 948	8 737
Non-restricted Equity			
Share Premium*	188 770	163 025	124 277
Retained Earnings	-156 350	-129 404	-100 818
Result for the period	-17 055	-23 365	-25 374
Minority interest	0	0	0
Equity	34 026	24 613	8 863
Short-term Liabilities	17 633	19 192	18 856
Long-term Liabilities	0	0	857
Equity & Liabilities	51 660	43 806	28 576

* Direct issue in Q1 2021 of 4,6 million shares at 8,40 SEK each.

* Direct issue in Q4 2022 of 9,0 million shares at 3 SEK each.



Safeture

Cashflow - Parent

TSEK	2022-10-01 2022-12-31	2021-10-01 2021-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operative Result	-5 219	-5 128	-16 893	-23 257
Adjustment for Depreciation & Other items	1 296	1 081	4 921	4 125
Interest Received /Paid	-39	-15	-126	-74
Cashflow from Changes in Working Capital	5 129	3 106	1 601	4 185
Cashflow from Operating Activities	1 167	-956	-10 497	-15 021
Cashflow from Investing Activities	-2 457	-1 770	-8 115	-6 360
Cash flow from Financing Activities	21 682	-336	26 965	38 137
Cashflow of the period	20 392	-3 062	8 353	16 756
Cash at the beginning of the period	5 945	21 046	17 984	1 228
Cash at the end of the period	26 337	17 984	26 337	17 984



Data per Share – Parent

	2022-10-01 2022-12-31	2021-10-01 2021-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Number of shares before dilution (at period end)	39 147 043	30 113 110	39 147 043	30 113 110
Number of shares after dilution* (at period end)	40 378 043	31 708 990	40 378 043	31 708 990
Average number of shares before dilution	34 630 077	30 113 110	34 630 077	27 813 110
Average number of shares after dilution*	35 508 077	32 105 990	36 043 517	29 630 990
Number of shares at period end	39 147 043	30 113 110	39 147 043	30 113 110
Loss per share before dilution (calculated on average number of shares)	-0,15	-0,17	-0,49	-0,84
Loss per share after dilution* (calculated on average number of shares)	-0,15	-0,16	-0,47	-0,79

* Dilution take into account total number of outstanding share options.



Changes in Equity – Parent

TSEK	Share Capital	Fund for Dev. costs	Share Premium	Ret. earnings incl. loss	Total equity
2021-01-01	2 041	8 737	124 277	-126 194	8 861
Issue new shares	368	-	38 748	-	39 116
Reposting	-	3 211	-	-3 210	1
Loss for the period	-	-	-	-23 365	-23 365
2021-12-31	2 409	11 948	163 025	-152 796	24 613
Issue new shares	723	-	25 745	-	26 468
Reposting	-	3 581	-	-3 581	0
Loss for the period	-	-	-	-17 055	-17 127
2022-12-31	3 132	15 529	188 770	-173 406	34 026



Submission of Interim Report

The Board of Directors through the Chief Executive Officer certify that the interim report provides a true and fair view of the parent company's and the Group's business, financial position, performance and describes material risks and uncertainties, to which the parent company and the companies in the group are exposed.

Lund, February 15, 2023

Magnus Hultman, CEO

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magnus.hultman@safeture.com

