



Interim Report Q1 2023

“Continued growth and improved profitability”



Safeture

“Continued growth and improved profitability”

- Annual recurring revenue (ARR) growth of +27% to 44,0 MSEK.
- Recurring revenue amounts to 10,7 MSEK compared to 8,1 MSEK last year (+31%).
- EBIT improvement year-on-year of 2,2 MSEK, reaching -2,5 MSEK .
- Bottom-line result at -23% of net sales compared to -57% one year ago.
- Quarterly churn at 1,5%
- Yearly NRR at 109%

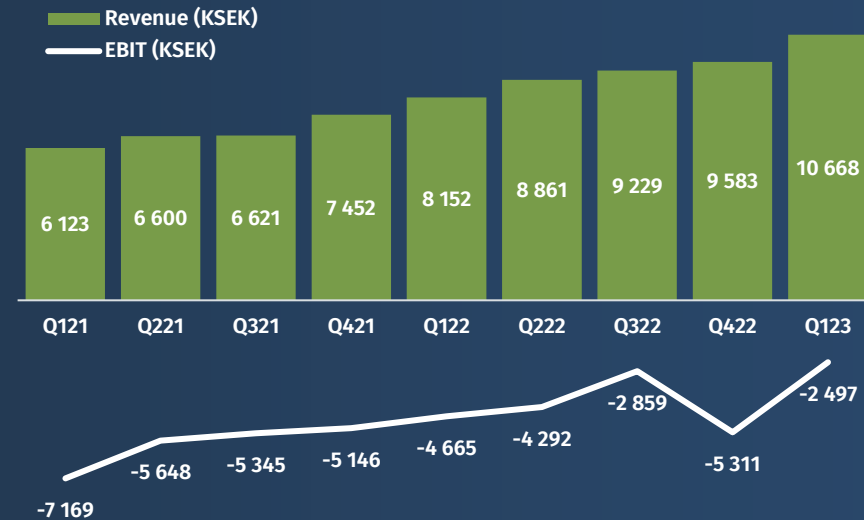


Summary of Interim Report

Classics

First quarter (2023-01-01 to 2023-03-31)

- Net revenue amounted to 10 668 (8 152) TSEK (+31%).
- Loss after financials amounted to -2 497 (-4 665) TSEK.
- Loss per share before dilution amounted to -0,06 (-0,15) SEK.
- Loss per share after dilution amounted to -0,06 (-0,15) SEK.



SaaS Traction

First quarter (2023-01-01 to 2023-03-31)

- Annual recurring revenue (ARR) at the end of Q1 2023 reached 43 978 (34 576) TSEK, a year-on-year increase of +27%.
- Recurring revenue increased +32% to 10 659 (8 070) TSEK, which represents 100% (99%) of the quarterly revenue.
- Churn for the quarter was 1,5%.
- Net revenue retention (NRR) was 108,9%.



Message from the CEO

“Continued growth and improved profitability”

Safeture started the year by delivering in line with our financial targets. As we have communicated earlier, Safeture aim to have an average sales increase of 30% year-on-year, continuously improved gross margins until we reach +80% and become profitable at an ARR of 65 MSEK. For Q1, sales are up 31 %, annual recurring revenue (ARR) is up 27 %, the gross margin improved from 73% last quarter to 75% in Q1. The steady path to profitability is clearly indicated in the Q1 result, with an improved EBIT margin of -23% compared to -57% one year ago.

Partner network continues to grow

During the quarter, we added three new partners, of which two in mainland Europe and Castor Vali with a HQ in the UK but with a strong presence in Africa. The partner´s share of the total order value in Q1 was 92 %. Worth mentioning was the continued roll-out of additional central banks from the ECB framework agreement signed early 2022; this quarter, we added the German Central Bank, and thus we now have a total of 4 central banks.

Tracking growth

In line with our partner positioning, where the partner is the customer, we have decided to measure our Net Revenue Retention (NRR) accordingly. Previously Safeture only calculated upsell on the end-customer rather than the agreement owner, which means we did not reflect the true NRR (organic growth without new sales). Upsell will from now on be calculated based on the agreement owner, which in most cases is the partner. We spend very limited resources on upselling via our partner network, which is also in line with the whole purpose of the NRR KPI follow-up. Churn calculation will remain the same since it is the revenue churn we are reporting. The NRR for Q1 is a healthy 109%, whereas churn was 1,5 %.

Business intelligence improves versatility and usage

During the past quarter, we initiated an internal business intelligence project to further understand our partners' way of working. Our partners are primarily medical assistance providers, security providers, and risk intelligence providers. They offer their clients a wide range of services, from medical pre-screening, close protection, evacuations, travel risk management, risk assessment and protective services.

As we develop our platform, we need to understand their line of business even better and continue to find user cases for the technology, help our partners and their end clients in different scenarios. In other words, it is all about making sure we provide the best possible platform to our partners and enable them to keep people safe.

Prioritizing profitability

On a last note, I would like to mention our participation at ASIS Europe in Rotterdam in March 2023. Founded in 1955, ASIS International is the world's largest membership organization for security management professionals. With hundreds of chapters across the globe (25 in Europe), ASIS is recognized as the premier source for learning, networking, standards, and research. Our participation led to invitations to several tenders, meetings with new potential partners, cooperation discussions with promising risk intelligence providers, and of course spending time with our extensive partner network, strengthening bonds and discussing new opportunities.

Currently, we are following up on several new leads while conducting a more structured dialogue with our most significant partners to ensure that our platform is versatile and synchronized with our partners' needs. While we continue to pursue expansion opportunities, our emphasis on sustainable profitability means that we are willing to sacrifice short-term sales growth in favour of building a more resilient and profitable business over the long term. As a result, we anticipate a somewhat slower growth rate for the coming quarters than we might otherwise achieve if we were solely focused on sales growth."

Magnus Hultman, CEO at Safeture

Lund - April 20th, 2023




Highlights & Significant Events

Highlights during Q1 2023

- In January, Safeture became ISO27001 (Information Security) certified.
- Safeture strengthens the team in Germany – hiring of Michael Plesse as new Regional Manager for Sales Region DACH.
- Change of Certified Advisor – Redeye new CA as of March 1st.
- Safeture entered into a Liquidity Providing (LP) agreement with Lago Kapital Ltd.

Significant events during Q1 2023

- There were no significant events during the period.

Significant events after period close

- There were no significant events after period close.



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 the first quarter of 2023 amounted to 32 (42). The corresponding figure for the Group amounted to 32 (43).



Safeture Financial Review

■ Revenue (KSEK)



— Growth rate YoY



Revenue

Net revenue for Q1 reached 10 668 TSEK (8 152 KSEK), an increase of +31% YoY and above the financial target of 30%.

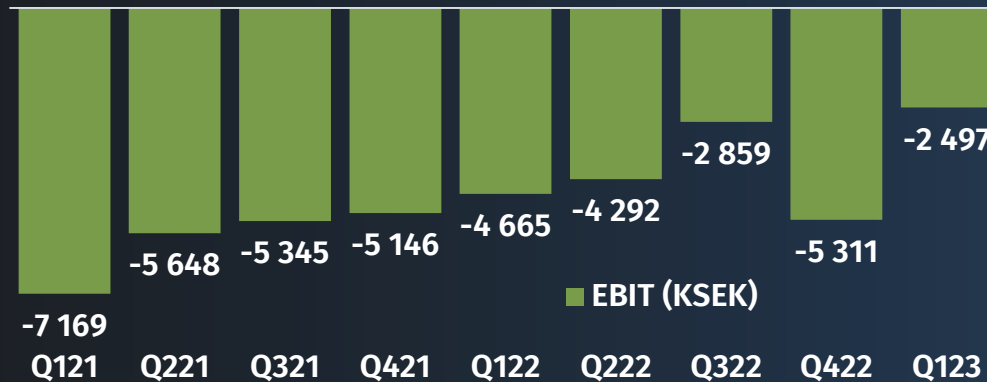
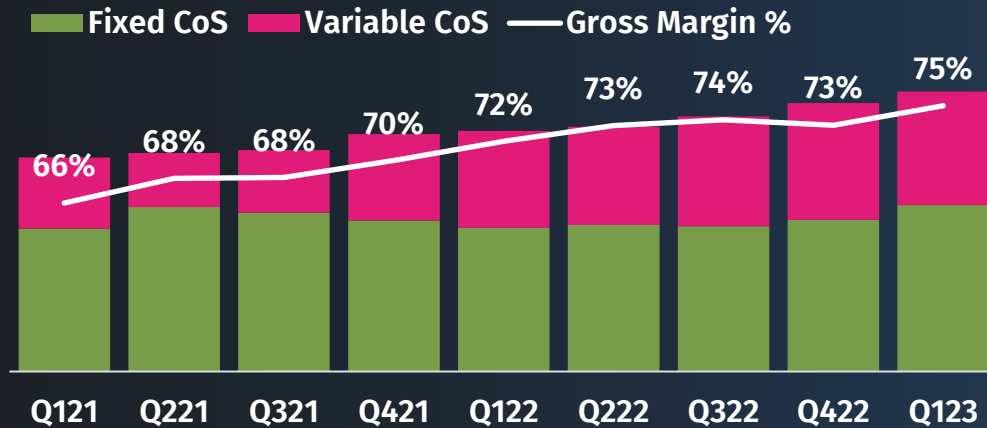
The entire organisation is fully focused on planning, developing, marketing and selling the best possible platform to partners within medical and risk/security assistance services. In Q1, 93% of both new business and upsell was originated from this customer segment.

From a geographically perspective, the sales increase came from the partner network in the Nordics and mainland Europe.



Safeture

Financial Review



Margins & Result

The gross margin in the quarter increased to 75%. The positive trend is entirely according to the forecast and financial targets communicated earlier. We still believe that Safeture will be able to reach a gross margin of at least 80% in a short-term perspective.

FX effects having a somewhat negative effect on the cost of sales during 2022 has stabilized. The high portion of fixed cost related to running the platform in combination with a growing number of installed user base and invoiced licenses will continue to drive the positive trend.

Operating expenses are flat compared to Q1 last year. Minor salary increases are offset by lower external cost as a result of a strict cost consciousness.

The decrease in headcount compared to one year ago is related to the shut down of the in-house risk intelligence team. The cost for that team was included in cost of sales and replaced by an external supplier, thus not affecting cost of sales nor the operating expenses.

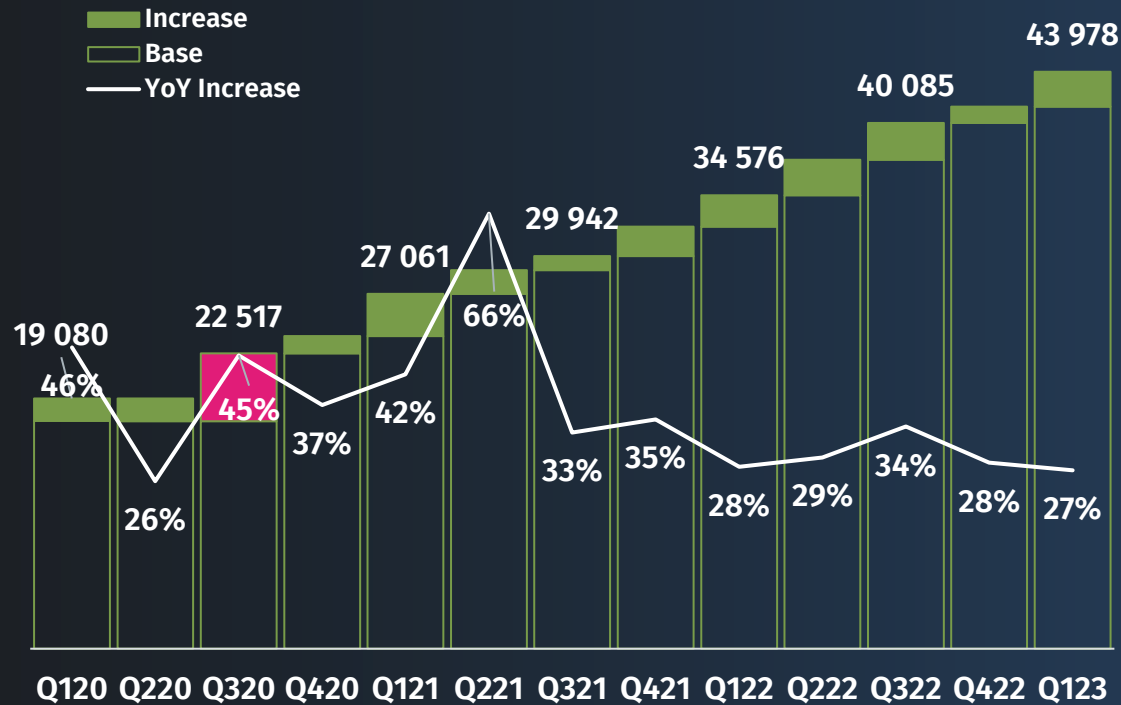
The result of -2 497 TSEK represents an improvement of 2 169 TSEK compared to last year. A flat cost base combined with increased revenues and gross margins improves EBIT % from -57% to -23%.



Safeture

SaaS Metrics

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



Annual Recurring Revenues (ARR)

The annual recurring revenue (ARR) grew to 43 987 KSEK, corresponding to a growth rate of 27% YoY and 6% QoQ.

Net growth in ARR compared to previous quarter and Q1 last year was 2 653 KSEK and 9 402 KSEK respectively.

The write-off related to the US clients that was made in Q4 2022, affecting ARR with 1 804 KSEK, is still included and considered as a client churn. This will have an effect on the ARR growth % throughout the entire year or until Safeture has received full payments from the client.

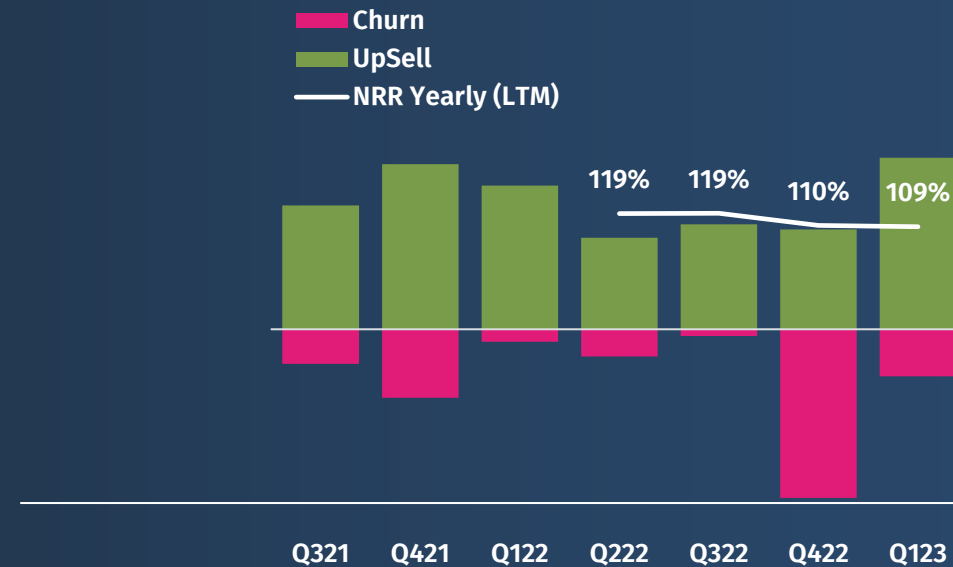
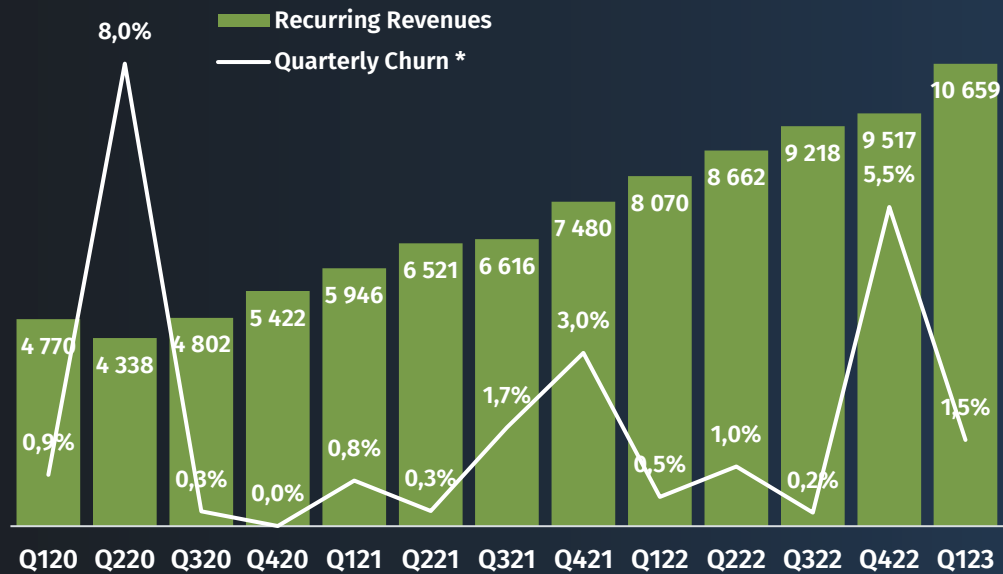


Safeture SaaS Metrics

TSEK	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422	Q123
Recurring Revenues	5 946	6 521	6 616	7 480	8 070	8 662	9 218	9 517	10 659
Recurring Revenues/ Total Revenues	97%	99%	100%	100%	99%	98%	100%	99%	100%
Annual Recurring Revenues (ARR)	27 061	28 865	29 942	32 186	34 576	37 289	40 085	41 325	43 978
Quarterly Churn *	0,8%	0,3%	1,7%	3,0%	0,5%	1,0%	0,2%	5,5%	1,5%
Yearly Net Revenue Retention (NRR) **						119,2%	119,4%	109,9%	108,9%

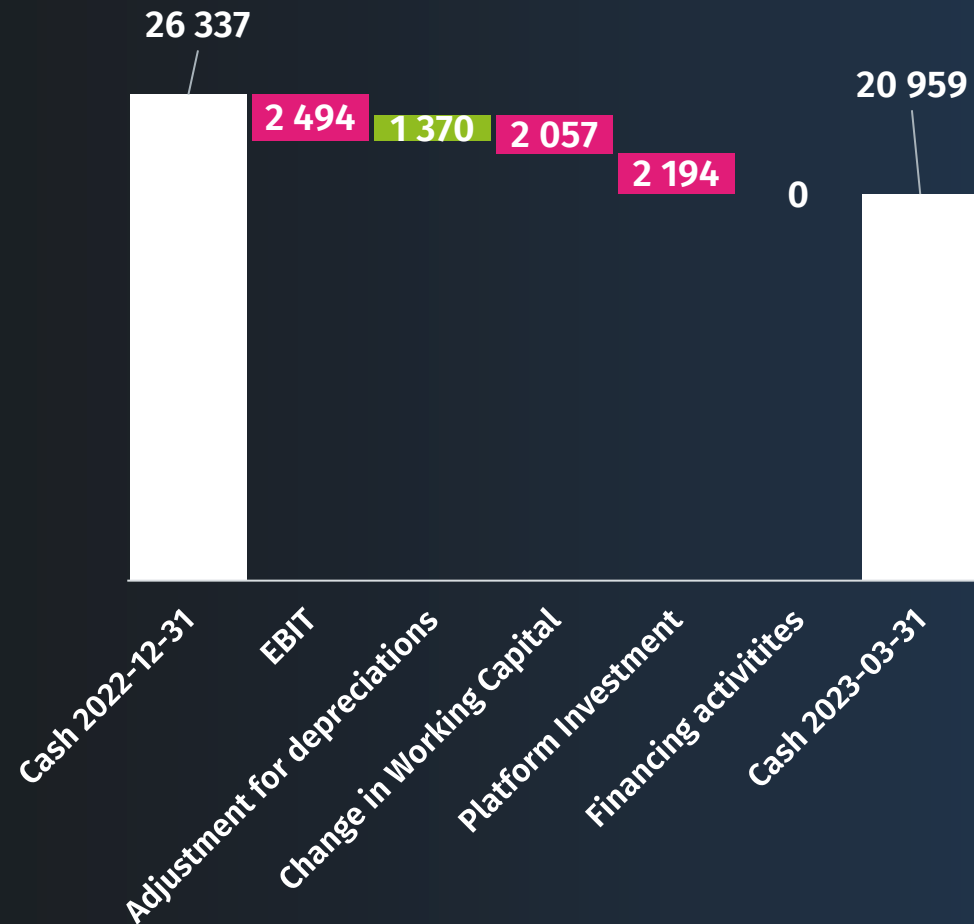
* One-time write-off of US client affecting churn with -4,4% in Q4.

** NRR recalculated to reflect sales via partner network as upsell. Safeture is invoicing the partner and the partner is doing the reselling to new end clients, i.e. upgrading the partner account.



Safeture

Cashflow



Liquidity

Cash in bank for the Group, as of March 31, 2023 amounts to 20 959 (10 625) TSEK. Q1 cash-flow for the Group amounts to -5 378 (-7 440) TSEK.

Many clients are invoiced yearly in advance, at the time for the yearly subscription renewal, which implies working capital fluctuations between the quarters. Q1 is a quarter with a higher portion of larger account invoicing at the end of the quarter, negatively affecting the working capital since these invoices are not settled until Q2. Safeture still believes that the current cash level is sufficient to bring the company to profitability and a positive cash flow.

Investments

Q1 investments in intangible assets amounted to 2 194 (2 033) TSEK. The investment consists of capitalized platform development cost.

Solidity

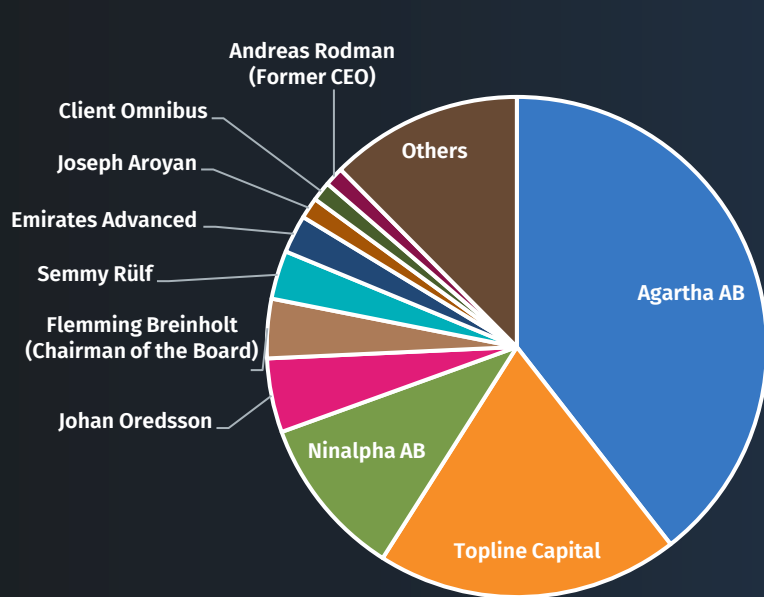
The solidity of the Group as of March 31, 2023 compared to last year increased to 60 (51) %.



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 March 31, 2023, the Company has issued 39 147 043 (30 113 110) shares. The average number of shares for Q1 2023 amounted to 39 147 043 (30 113 110) shares.

The schedule below shows the ten largest shareholders, and the number of shares they own in Safeture AB, as of March 31, 2023.



	Amount of shares	%
Agarthia AB	15 297 704	39,08%
Topline Capital	7 656 784	19,56%
Ninalpha AB	4 101 526	10,48%
Johan Oredsson	1 946 542	4,97%
Flemming Breinholt (Chairman of the Board)	1 500 000	3,83%
Semmy Rülff	1 228 380	3,14%
Emirates Advanced	960 374	2,45%
Joseph Aroyan	535 549	1,37%
Magnus Hultman (CEO)	505 171	1,29%
Client Omnibus	491 794	1,26%
Others	4 923 219	12,58%
TOTAL	39 147 043	100%



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, 2025. One (1) share option gives the right to subscribe for one (1) new share.



Safeture

Other

Related Party Transactions

During the first quarter 2023 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 March 31, 2023, 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 Segurança 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 2022 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 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-rapporter/>

Certified Adviser

Redeye is the Certified Adviser of Safeture.



Income Statement - Group

TSEK	Q1 2023	Q1 2022	2022-01-01 2022-12-31
Revenue	10 668	8 152	35 825
Own work capitalised	2 194	2 033	8 115
Other income	-28	184	647
Total revenue	12 834	10 368	44 587
Operating costs	-13 961	-13 849	-56 668
Depreciation	-1 370	-1 161	-4 921
Operative result	-2 498	-4 640	-17 002
Finance net	0	-22	-123
Result after financials	-2 497	-4 663	-17 125
Tax	0	-3	-3
Result after tax	-2 497	-4 665	-17 129



Balance Statement - Group

Assets

TSEK	2023-03-31	2022-12-31	2021-12-31
Fixed Assets			
Intangible Assets	16 961	16 065	12 583
Tangible Assets	719	791	1 082
Financial Assets	0	0	1 354
Fixed Assets	17 680	16 856	15 019
Current Assets			
Short-term Receivables	13 828	8 407	10 740
Cash & bank	20 959	26 337	18 065
Current Assets	34 787	34 744	28 805
Assets	52 467	51 600	43 824

Equity & Liabilities

TSEK	2023-03-31	2022-12-31	2021-12-31
Restricted Equity			
Share Capital	3 132	3 132	2 409
Fund for Dev. cost	16 449	15 529	11 948
Non-restricted Equity			
Share Premium*	188 770	188 770	163 025
Retained Earnings	-174 452	-156 403	-129 512
Result for the period	-2 497	-17 127	-23 318
Minority interest	0	0	0
Equity	31 402	33 901	24 552
Short-term Liabilities	21 065	17 699	19 272
Long-term Liabilities	0	0	0
Equity & Liabilities	52 467	51 600	43 824

* 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	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Operative Result	-2 497	-4 640	-17 002
Adjustment for Depreciation & Other items	1 370	1 161	4 921
Interest Received /Paid	-1	-25	-129
Cashflow from changes in Working capital	-2 057	-1 689	1 632
Cashflow from Operating Activities	-3 185	-5 193	-10 578
Cashflow from Investing Activities	-2 194	-2 033	-8 115
Cashflow from Financing Activities	0	-214	26 965
Cashflow for the period	-5 378	-7 440	8 272
Cash at the beginning of the period	26 337	18 065	18 065
Cash at the end of the period	20 959	10 625	26 337



Data per Share – Group

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Number of shares before dilution (at period end)	39 147 043	30 113 110	39 147 043
Number of shares after dilution* (at period end)	40 378 043	31 708 990	40 378 043
Average number of shares before dilution	39 147 043	30 113 110	34 630 077
Average number of shares after dilution*	40 378 043	31 708 990	36 043 517
Number of shares at period end	39 147 043	30 113 110	39 147 043
Loss per share before dilution (calculated on average number of shares)	-0,06	-0,15	-0,49
Loss per share after dilution* (calculated on average number of shares)	-0,06	-0,15	-0,48

* 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 for the period	Total equity
2022-01-01	2 409	11 948	163 025	-152 828	24 552
Issue new shares	-	-	-	-	0
Reposting	-	969	-	-937	32
Loss for the period	-	-	-	-4 665	-4 665
2022-03-31	2 409	12 917	163 025	-158 430	19 918
2023-01-01	3 132	15 529	188 770	-173 530	33 901
Issue new shares	-	-	-	-	0
Reposting	-	920	-	-920	0
Loss for the period	-	-	-	-2 497	-2 497
2023-03-31	3 132	16 449	188 770	-176 949	31 402



Income Statement - Parent

TSEK	Q1 2023	Q1 2022	2022-01-01 2022-12-31
Revenue	10 669	8 152	35 826
Own work capitalised	2 194	2 033	8 115
Other income	-28	184	647
Total revenue	12 835	10 369	44 587
Operating costs	-13 953	-13 831	-56 559
Depreciation	-1 370	-1 161	-4 921
Operative result	-2 488	-4 624	-16 893
Finance Net	-1	-22	-162
Result after financials	-2 489	-4 647	-17 055
Tax	0	0	0
Result after tax	-2 489	-4 647	-17 055



Balance Statement - Parent

Assets				Equity & Liabilities			
TSEK	2023-03-31	2022-12-31	2021-12-31	TSEK	2023-03-31	2022-12-31	2021-12-31
Fixed Assets				Restricted Equity			
Intangible Assets	16 961	16 065	12 583	Share Capital	3 132	3 132	2 409
Tangible Assets	719	791	1 079	Fund for Dev. cost	16 449	15 529	11 948
Financial Assets	88	88	1 442	Non-restricted Equity			
Fixed Assets	17 768	16 944	15 104	Share Premium*	188 770	188 770	163 025
Current Assets				Retained Earnings	-174 325	-156 350	-129 404
Short-term Receivables	13 811	8 380	10 720	Result for the period	-2 489	-17 055	-23 365
Cash & Bank	20 959	26 337	17 984	Minority interest	0	0	0
Current Assets	34 770	34 717	28 704	Equity	31 537	34 026	24 613
Assets	52 536	51 660	43 806	Short-term Liabilities	20 999	17 633	19 192
				Long-term Liabilities	0	0	0
				Equity & Liabilities	52 536	51 660	43 806

* 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	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Operative Result	-2 488	-4 624	-16 893
Adjustment for Depreciation & Other items	1 370	1 161	4 921
Interest Received /Paid	-1	-22	-126
Cashflow from Changes in Working Capital	-2 066	-1 712	1 601
Cashflow from Operating Activities	-3 185	-5 197	-10 497
Cashflow from Investing Activities	-2 194	-2 033	-8 115
Cash flow from Financing Activities	0	-214	26 965
Cashflow of the period	-5 378	-7 444	8 353
Cash at the beginning of the period	26 337	17 984	17 984
Cash at the end of the period	20 959	10 540	26 337



Data per Share – Parent

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Number of shares before dilution (at period end)	39 147 043	30 113 110	39 147 043
Number of shares after dilution* (at period end)	40 378 043	31 708 990	40 378 043
Average number of shares before dilution	39 147 043	30 113 110	34 630 077
Average number of shares after dilution*	40 378 043	31 708 990	36 043 517
Number of shares at period end	39 147 043	30 113 110	39 147 043
Loss per share before dilution (calculated on average number of shares)	-0,06	-0,15	-0,49
Loss per share after dilution* (calculated on average number of shares)	-0,06	-0,15	-0,47

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



Changes in Equity – Parent

TSEK	Share capital	Fund for development costs	Share premium	Ret. earnings incl. loss for the period	Total equity
2022-01-01	2 409	11 948	163 025	-152 770	24 613
Issue new shares					0
Reposting		969		-967	2
Loss for the period				-4 647	-4 647
2022-03-31	2 409	12 917	163 025	-158 384	19 968
2023-01-01	3 132	15 529	188 770	-173 406	34 025
Issue new shares					0
Reposting		920		-920	0
Revaluation				9	9
Loss for the period				-2 497	-2 497
2023-03-31	3 132	16 449	188 770	-176 814	31 537



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 - April 20th 2023

Magnus Hultman, CEO

Link to all financial reports:

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

For further information please contact CEO Magnus Hultman (+46 (0) 70 – 600 46 88)
magnus.hultman@safeture.com

