



Interim Report Q1 2024

“Continued improved profitability but high churn”



Q1 Highlights

- Annual recurring revenue (ARR) growth of +23% to 54,2 MSEK.
- Recurring revenue amounts to 12,7 MSEK compared to 10,7 MSEK last year (+19%).
- Net Profit improvement year-on-year of 2,1 MSEK, reaching -0,4 MSEK.
- Bottom-line result at -3% of Net Sales compared to -23% one year ago.
- Quarterly churn at 4,1%
- Yearly NRR at 108%



Summary of Interim Report

Classics

First quarter (2024-01-01 to 2024-03-31)

- Net revenue amounted to 13 627 (10 668) KSEK (+28%).
- Loss after financials amounted to -419 (-2 497) KSEK.
- Loss per share before dilution amounted to -0,01 (-0,06) SEK.
- Loss per share after dilution amounted to -0,01 (-0,06) SEK.



SaaS Traction

First quarter (2024-01-01 to 2024-03-31)

- Annual recurring revenue (ARR) at the end of Q1 2024 reached 54 174 (43 978) KSEK, a year-on-year increase of +23%.
- Recurring revenue increased by +19% to 12 692 (10 659) KSEK, which represents 93% (100%) of the quarterly revenue.
- Churn for the quarter was 4,1%.
- Net revenue retention (NRR) was 108%.



Message from the CEO

“Continued improved profitability, but high churn”



Continued improved profitability

During the first quarter of 2024, Safeture continued to inch towards our mid-term targets. Since OPEX remained roughly the same and we got parts of the effect of the strong order intake from last quarter in the books, the result landed at -419 KSEK. A significant improvement compared to last year (-2.497 KSEK). The Net Revenue was a bit below our target, 28 % year on year, and the gross margin was just above our 80 % mark.

Macroeconomic effects generate longer sales cycles and higher revenue churn

We still find ourselves in an unstable macroeconomic environment, mirrored by the war in Ukraine and the aftermath of the 7th of October in Gaza. We also experience a generally difficult financial situation for many companies around the globe, still pressured by high-interest rates and a high price level. While conflicts increase risk awareness, demand for risk mitigation and thereby benefit our business and the need for the Safeture technology, the economic uncertainty is the opposite.

Safeture has around 80 % of sales in Europe whereof Germany is our single biggest market. During Q1, we unfortunately experienced both logo- and revenue churns in the German market. Also, other European markets were affected.

We expect the unstable macroeconomic environment and thereby the economic uncertainty amongst our customers to continue throughout the year. As a consequence, we foresee a somewhat slower growth during 2024.

The churn was 4,1 % for the quarter which is higher than our long-term average. Our net revenue retention for the last twelve months (NRR) landed at 108 %. We are both defending our position and proving that our positioning is right.



Message from the CEO

We keep on winning new partners and adding new logos. Safeture added two new partners recently and our partners brought in 10 new logos during Q1. The most noteworthy was the media company Axel Springer in Germany. Safeture has a strong presence among media companies considering the risk exposure journalists may face when doing their important job, often at the frontline of conflicts.

Presence and visibility on trade fairs

During the first quarter, we participated in two trade fairs, ASIS in Vienna and Insurtech in London. ASIS was visited both as an exhibitor and speaker. Insurtech was attended to build a better understanding of the complex insurance ecosystem where Safeture is increasingly playing a vital role.

Behind the scenes, working with partner-led growth

Bringing Safeture to the market through our partners requires a special way of working. Our technology is generally bundled with a service offering, like security assistance. Our job is to make sure the delivery is as frictionless as possible and that our partners get as much support as possible in pre-sales/technical sales and tender requests, but we also feel that they can influence our product roadmap based on what the market is requesting. One aspect, that is often overlooked, is the role of marketing. We have a very proactive marketing strategy at Safeture. It consists of supporting our partners with branded material like case studies, videos, explainers, and manuals but we also try to facilitate prospecting. At the end of Q4, we launched a global risk map with one of our risk intelligence providers, Riskline. More than 4 400 downloads since launch including many of the world's largest enterprises but also NGOs, governments, and universities. A great way to build a brand but also indirectly help our partners with qualified prospecting.

Have a look and download your own here: <https://safeture.com/riskmaps/>

Soon time for celebration

Safeture has been around for quite some time. The company was founded in 2009, as "Global Warning System" or "GWS Production", a pioneer in positioning and alerting technology. From the start at the Ideon innovation hub with its proximity to Lund University, it has been an amazing journey. Later this year Safeture will celebrate 15 years! More information to come.

Lund - April 19th, 2024



Key Figures - Quarterly Trend

	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1*
Sales	8 152	8 861	9 229	9 583	10 668	11 076	12 438	14 731	13 627
Cost of Sales	-2 263	-2 251	-2 413	-2 541	-2 648	-2 709	-2 742	-2 887	-2 726
Gross Margin	5 890	6 610	6 816	7 043	8 020	8 366	9 697	11 844	10 901
Gross Margin %	72%	75%	74%	73%	75%	76%	78%	80%	80%
OPEX	-11 402	-11 693	-9 977	-13 481	-11 340	-10 359	-10 338	-14 025	-11 608
Capitalization	2 033	2 022	1 603	2 457	2 194	1 840	1 421	1 817	1 872
Depreciation	-1 161	-1 219	-1 245	-1 296	-1 370	-1 437	-1 479	-1 535	-1 584
EBIT	-4 640	-4 280	-2 804	-5 278	-2 497	-1 589	-700	-1 899	-419
Net Profit	-4 665	-4 292	-2 859	-5 311	-2 497	-1 592	-550	-1 690	-419
Net Profit %	-57%	-48%	-31%	-55%	-23%	-14%	-4%	-11%	-3%
Cashflow - Operating Activities	-5 193	-3 102	-3 392	1 109	-3 185	519	-4 011	6 510	3 097
Cashflow - Investing Activities	-2 033	-2 022	-1 603	-2 457	-2 194	-1 840	-1 421	-1 817	-1 872
Cashflow - Financing Activities	-214	93	5 404	21 682	0	84	94	64	10
Cashflow	-7 440	-5 031	409	20 334	-5 378	-1 237	-5 338	4 757	1 235
Cash	10 625	5 594	6 003	26 337	20 959	19 722	14 384	19 141	20 376
ARR	34 576	37 289	40 085	41 325	43 978	48 623	50 332	53 527	54 174
Churn	0,5%	1,0%	0,2%	5,5%	1,5%	1,9%	0,5%	0,2%	4,1%
NRR		119%	119%	110%	109%	116%	113%	117%	108%
Yearly Sales Growth	33%	34%	39%	29%	31%	25%	35%	54%	28%
Yearly ARR Growth	28%	29%	34%	28%	27%	30%	26%	30%	23%

* Prior to 2024, the key figures in the above table refers to as the Group, including subsidiaries that have under the fiscal year of 2023 been fully divested. From Q1 2024, the key figures refer to the Company.



Highlights & Significant Events

Highlight events during Q1 2024

- New CFO (Chief Financial Officer) Jessica Eberhagen officially starts at Safeture on January 1st, 2024.
- Exlog Global, a leading security- and risk management partner of Safeture, has signed new multi-year agreements with four global organizations leveraging Safeture's platform. The agreements will help the organizations to protect what matters most – their people.
- Safeture AB has signed a three-year partnership agreement with SEPAR International Ltd, a leading security advisory and risk mitigation service provider. SEPAR International Ltd specializes in risk management, training, and global operations. It provides creative resolutions to solve complex problems in challenging environments.

Significant events during Q1 2024

- There were no significant events during the period

Significant events after the period close

- There were no significant events after the 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 equal to 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 83% of our revenue originates from customers in Europe, 10% from customers in the US and 7% 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 close cooperation with our partners, we develop and adapt our products continuously. The cutting-edge knowledge that we gather from 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

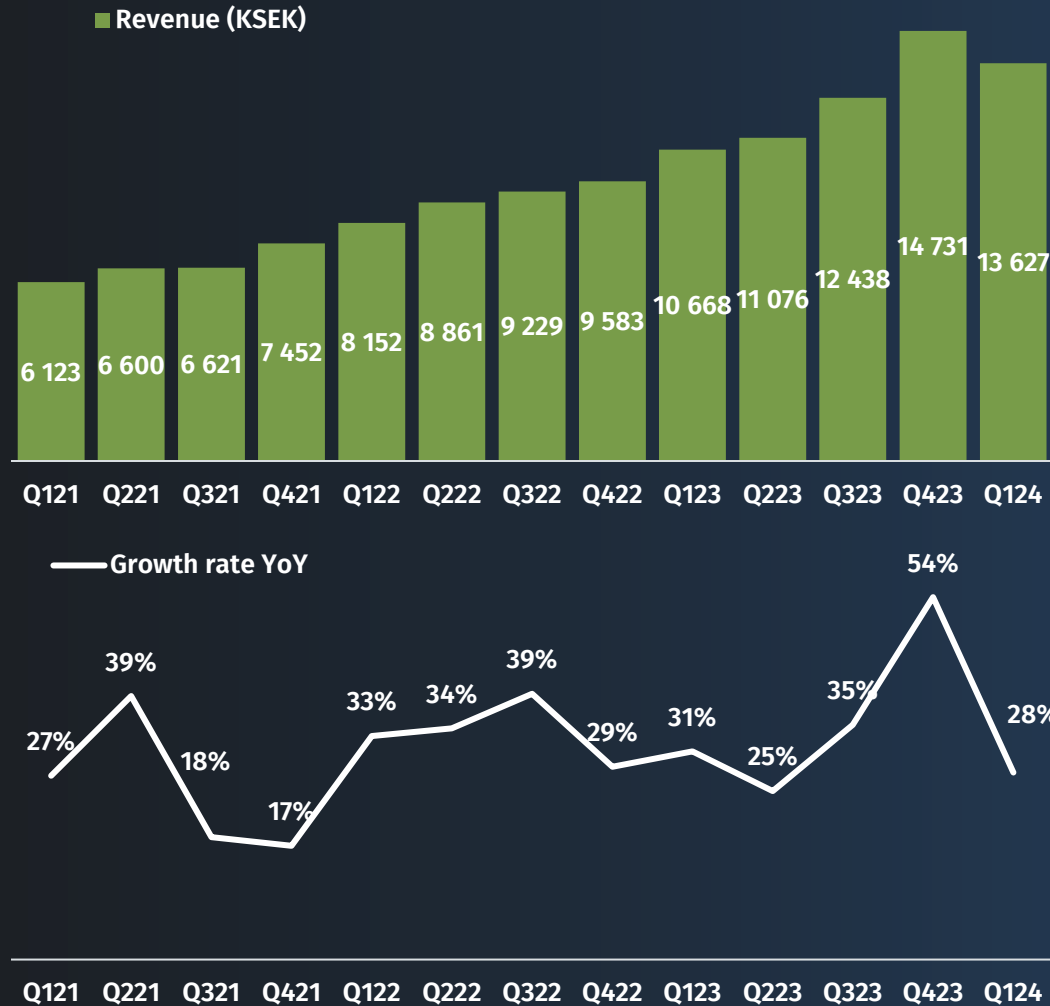
Safeture is exposed to general business-related as well as financially-related risks. These risks are described more in detail in the Annual Report for 2023, available on the company's website.

Organization & Personnel

The average number of employees in the parent company during the first quarter of 2024 amounted to 29 (33).



Safeture Financial Review



Revenue

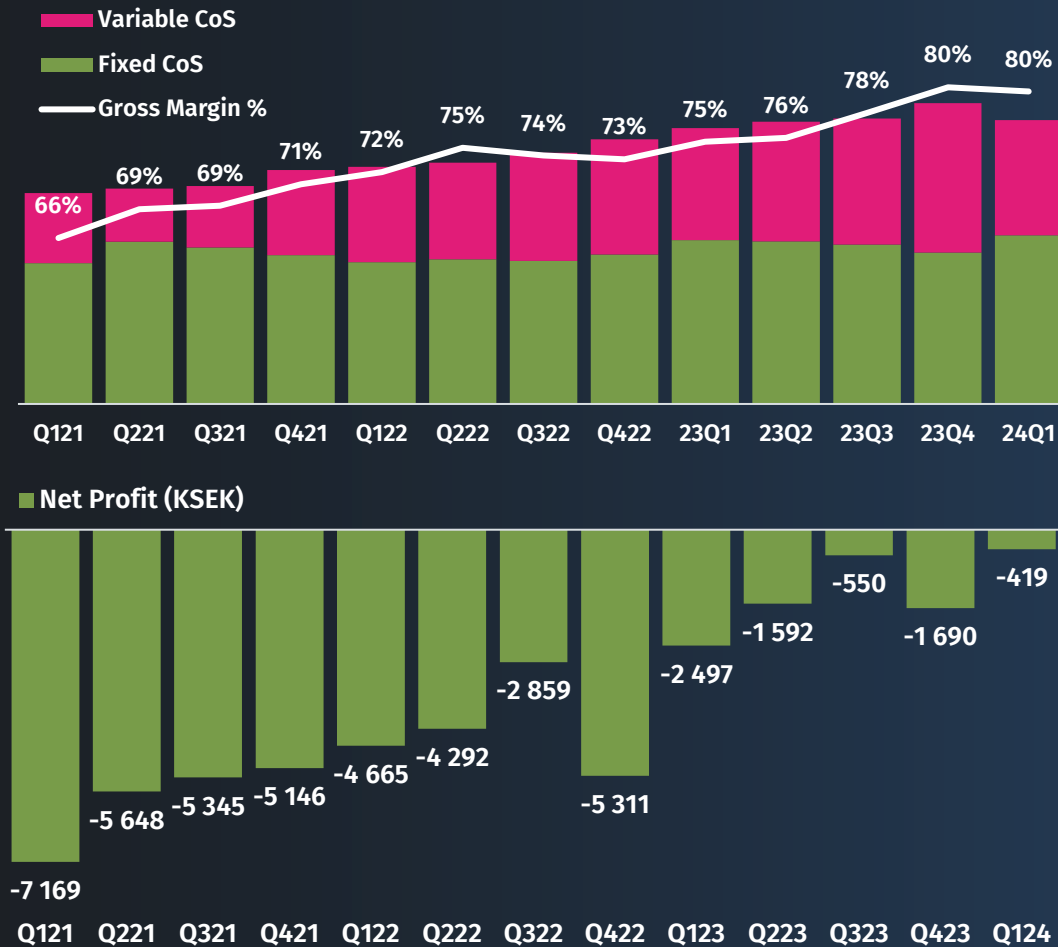
Net revenue for Q1 reached 13 627 KSEK (10 668 KSEK), an increase of +28% YoY, partly generated by one-off startup fees connected to new business ventures.

As communicated since the beginning of previous year, we focus on delivering sustainable profitability and sacrificing short-term sales growth in favour of building a more resilient and profitable business over the long term. 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, 81% of both new business and upsell was originated from this customer segment.

From a geographical perspective, the sales increase came from the partner network in Europe and the US.



Safeture Financial Review



Margins & Result

The gross margin in the quarter remained at 80%, partly positively driven by startup fees connected to new business ventures.

A high portion of fixed cost, combined with a growing number of installed user base and invoiced licenses, is the logic behind the positive gross margin development.

Operating expenses related to the core business were in line with expectations. Additionally, we received a positive FX effect through the quarterly revaluation of our balance sheet items.

Net Profit result of -419 KSEK represents an improvement of 2 077 KSEK compared to last year.

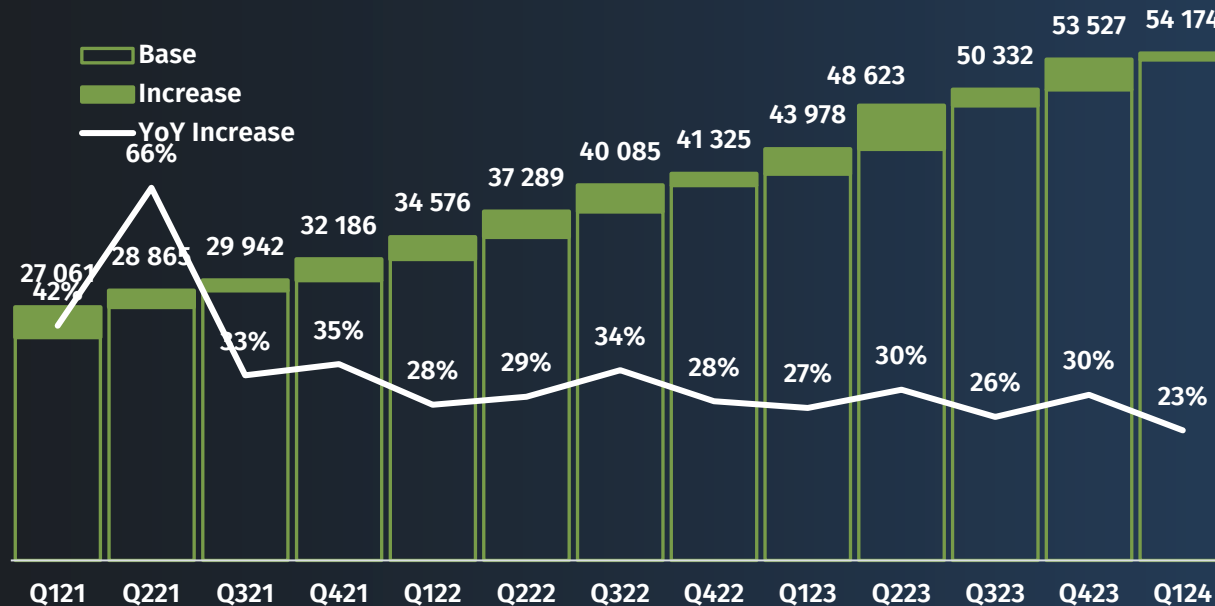
Increased revenue combined with a strong gross margin improved Net Profit from -23% to -3%.



Safeture

SaaS Metrics

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



Annual Recurring Revenues (ARR)

The annual recurring revenue (ARR) grew to 54 174 KSEK, corresponding to a growth rate of 23% YoY and 1% QoQ.

Net growth in ARR compared to Q1 last year and previous quarter was 10 196 KSEK and 646 KSEK respectively.

The relatively lower growth rate during Q1 is mainly impacted negatively by a high quarterly churn.

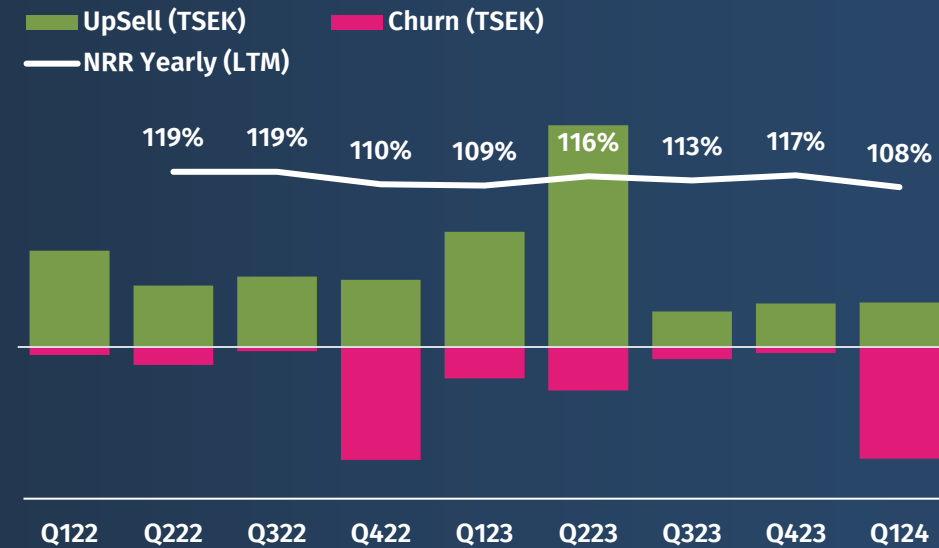
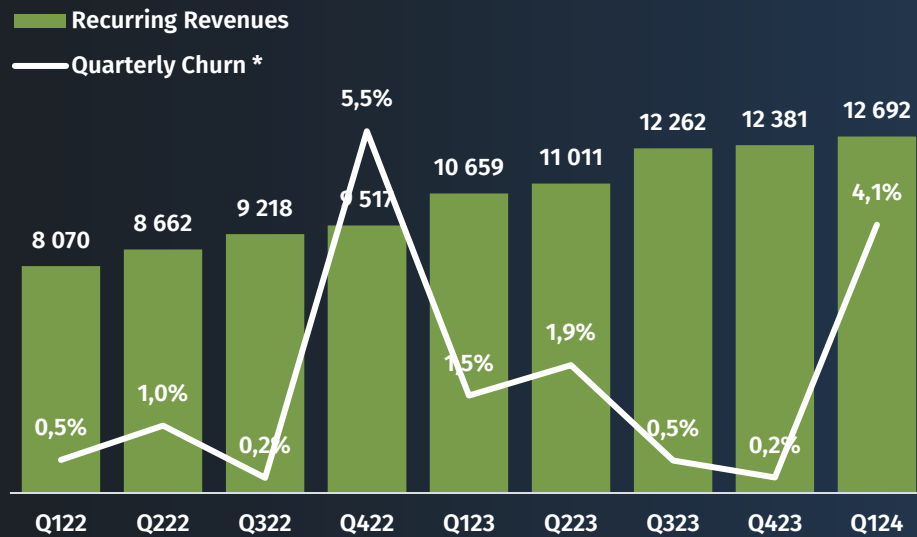
The ARR order value originates approximately with 80% from the partner network.



Safeture SaaS Metrics

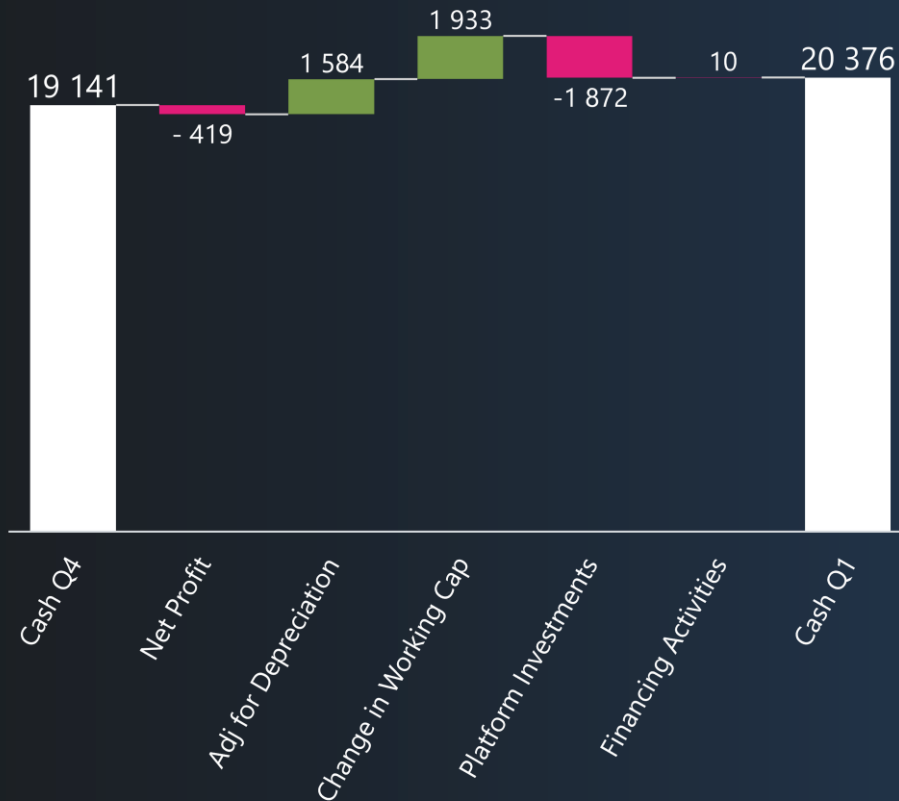
KSEK	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124
Recurring Revenues	8 070	8 662	9 218	9 517	10 659	11 011	12 262	12 381	12 692
Recurring Revenues/ Total Revenues	99%	98%	100%	99%	100%	99%	99%	84%	93%
Annual Recurring Revenues (ARR)	34 576	37 289	40 085	41 325	43 978	48 623	50 332	53 527	54 174
Quarterly Churn	0,5%	1,0%	0,2%	5,5%	1,5%	1,9%	0,5%	0,2%	4,1%
Yearly Net Revenue Retention (NRR) *		119%	119%	110%	109%	116%	113%	117%	108%

* 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 the bank, as of March 31, 2024 amounts to 20 376 (19 141) KSEK. The Q1 cash-flow was positive, amounting to +1 235 (- 5 378) KSEK.

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. Despite this, a high focus on the collection process has managed to offset that pattern this quarter.

Investments

Q1 investments in intangible assets amounted to 1 872 (2 194) KSEK. The investment consists of capitalized platform development costs.

Solidity

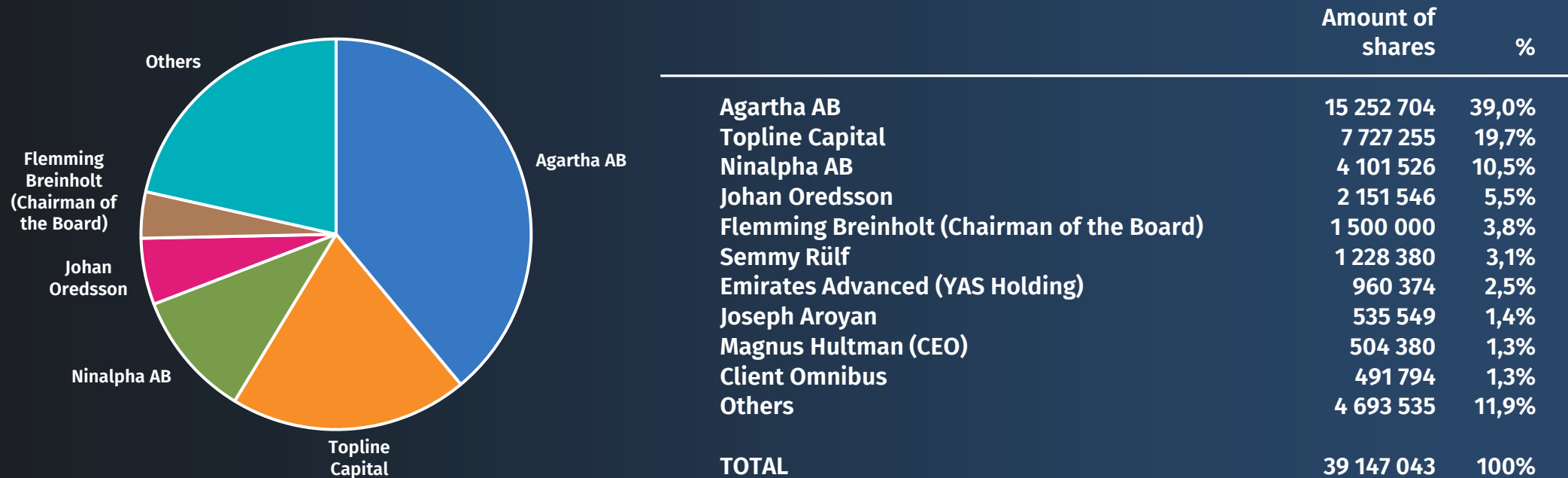
The solidity of the Group as of March 31, 2024 compared to last year corresponding quarter, decreased to 51% (60%).



The Safeture Share

The company is listed on Nasdaq First North Growth Market in Stockholm under the abbreviation, “SFTR”. There is only one classification of shares in Safeture AB. As of March 31, 2024 the Company has issued 39 147 043 (39 147 043) shares. The average number of shares for Q1 2024 amounted to 39 147 043 (39 147 043) shares.

The schedule below shows the ten largest shareholders, and the number of shares they own in Safeture AB as of March 31, 2024.



Share Options

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.

Share Option Program 2023/2026

On May 25th, 2023, a general meeting was held and decided on a directed issue of 700 000 share options of series 2023/2026 to employees at Safeture AB. 170 000 was subscribed by employees. The share options were issued at the price of 0,99 SEK per option. The subscription price for exercising the share options amounts to 7,46 SEK per option. The share options may be exercised during the period June 8th – June 26th, 2026. One (1) share option gives the right to subscribe for one (1) new share.



Safeture

Other

Related Party Transactions

During the first quarter of 2024 Flemming Breinholt, chairman of the board of Safeture AB, has received 100 KSEK as remuneration for management services.

The Company

During the fiscal year of 2023, all remaining subsidiaries were fully divested. From the 2023 Annual Report and forwards, all financial statements such as Income Statement, Balance Statement, Cashflow, and changes in Equity statement refer to the Company with comparison periods equal to the former Parent.

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 2023 Annual Report.

Audit

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

Financial calendar

The company establishes and publishes a financial report every quarter. Upcoming reports, as well as the annual General Meeting, are planned as below:

Annual General Meeting	2024-05-28
Q2 Interim Report 2024	2024-07-19
Q3 Interim Report 2024	2024-10-18

Previous reports are available on the company web page:

<https://investor.safeture.com/financial-reports-presentations/>

Certified Adviser

Redeye is the Certified Adviser of Safeture.



Safeture

Income Statement

KSEK	Q1 2024	Q1 2023	2023-01-01 2023-12-31
Revenue	13 627	10 669	48 914
Own work capitalised	1 872	2 194	7 272
Other income	962	106	1 092
Total revenue	16 461	12 969	57 278
Operating costs	-15 296	-14 087	-58 163
Depreciation	-1 584	-1 370	-5 822
Operative result	-419	-2 488	-6 708
Finance Net	0	-1	256
Result after financials	-419	-2 489	-6 452
Tax	0	0	0
Result after tax	-419	-2 489	-6 452



Balance Statement

Assets				Equity & Liabilities			
KSEK	2024-03-31	2023-12-31	2022-12-31	KSEK	2024-03-31	2023-12-31	2022-12-31
Fixed Assets				Restricted Equity			
Intangible Assets	18 163	17 803	16 065	Share Capital	3 132	3 132	3 132
Tangible Assets	431	503	791	Fund for Dev. cost	17 750	17 366	15 529
Financial Assets	0	0	88	Non-restricted Equity			
Fixed Assets	18 594	18 306	16 943	Share Premium*	188 869	188 859	188 770
Current Assets				Retained Earnings	-182 079	-175 241	-156 350
Short-term				Result for the period	-419	-6 452	-17 055
Receivables	14 776	13 627	8 380	Equity	27 253	27 665	34 026
Cash & Bank	20 376	19 141	26 337	Short-term Liabilities	26 492	23 409	17 633
Current Assets	35 153	32 767	34 716	Long-term Liabilities	0	0	0
Assets	53 747	51 074	51 660	Equity & Liabilities	53 747	51 074	51 660



Safeture

Cashflow

KSEK	2024-01-01 2024-03-31	2023-01-01 2023-03-31	2023-01-01 2023-12-31
Operative Result	-419	-2 488	-6 708
Adjustment for Depreciation & Other items	1 584	1 370	5 822
Interest Received /Paid		-1	344
Realisation Result			88
Cashflow from Operating Activities before changes in Working Capital	1 164	-1 119	-454
Cashflow from changes in Working Capital	1 933	-2 066	441
Cashflow from Operating Activities	3 097	-3 185	-13
Cashflow from Investing Activities	-1 872	-2 194	-7 272
Cash flow from Financing Activities	10	0	89
Cashflow of the period	1 235	-5 378	-7 196
Cash at the beginning of the period	19 141	26 337	26 337
Cash at the end of the period	20 376	20 959	19 141



Safeture

Data per Share

	2024-01-01 2024-03-31	2023-01-01 2023-03-31	2023-01-01 2023-12-31
Number of shares before dilution (at period end)	39 147 043	39 147 043	39 147 043
Number of shares after dilution* (at period end)	40 373 043	40 378 043	40 373 043
Average number of shares before dilution	39 147 043	39 147 043	39 147 043
Average number of shares after dilution*	40 373 043	40 378 043	40 375 543
Number of shares at period end	39 147 043	39 147 043	39 147 043
Loss per share before dilution (calculated on average number of shares)	-0,01	-0,06	-0,16
Loss per share after dilution* (calculated on average number of shares)	-0,01	-0,06	-0,16

* Dilution reflect total number of outstanding share options.



Safeture

Changes in Equity

KSEK	Share capital	Fund for development costs	Share premium	Ret. earnings incl. loss for the period	Total equity
2023-01-01	3 132	15 529	188 770	-173 406	34 025
Issue new shares					
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
2024-01-01	3 132	17 366	188 859	-181 693	27 665
Issue new shares/warrants			10		10
Reposting		384		-385	
Revaluation				-1	-1
Loss for the period				-419	-419
2024-03-31	3 132	17 750	188 869	-182 499	27 253



Definitions - Key Metrics

Recurring Revenue

The portion of revenue that is expected to continue in the future.

Recurring Revenue %

The recurring revenue share of total net sales.

Annual Recurring Revenue (ARR)

The recurring revenue expected for the coming 12 months, including contracted orders affecting coming quarters.

Churn %

Percentage of recurring revenue related to cancellations/downgrading within the quarter in relation to total recurring revenue for the same period.

Net Revenue Retention (NRR)

The percentage of recurring revenue retained from existing customers over a given time, including upgrades, downgrades, and cancellations.

Gross Margin

Revenue generated less the cost to run the platform.

Gross Margin %

Gross Margin in relation to total revenue.



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 company's business, financial position, and performance and describes material risks and uncertainties, to which the company is exposed.

Lund - April 19th, 2024

Flemming Breinholt (Chairman of the Board)

Sofia Kinberg

Christian Lindgren

Pontus Kristiansson

Johannes Boson

Magnus Hultman (CEO)

Link to all financial reports:

<https://investor.safeture.com/financial-reports-presentations/>

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

