

Increasing awareness drives rising sales

“Companies are still under pressure because of this virus, but employee safety is a hot topic that will benefit Safeture for many quarters to come” Magnus Hultman, CEO Safeture comments.

Conclusions

- During Q2 Siemens signed an order worth 767 TEUR, Americas insurance giant Chubb signed an extension order worth a minimum of 2 000 TUSD and International Paper signed an order worth 404 TUSD.
- In May Safeture launched the www.openupforbusiness.com website. The first interactive mapping tool to visualize which Covid-19 restrictions that applies to specific countries.
- Core business revenue for the second quarter grows 38,8% to 4,7 MSEK of which 91% derives from recurring revenue.
- Annual Recurring Revenue (ARR) for the second quarter was 17,4 MSEK, which represents a
 - +26% year-on-year growth.
- The issuing of 2,3 million new shares at a price of 10 SEK/share was announced in May, raising 23,2 MSEK in cash. Interim Report

Summary of Interim Report

The Group

First six months (2020-01-01 to 2020-06-30)

- Net turnover amounted to 9 555 (6 855) TSEK, an increase of +39,4% compared to the same period last year. (Last year’s sales figures have been adjusted with 3 667 TSEK to reflect the divestment of Travelogix Ltd in Q3 2019.)
- Net turnover before adjusting for the divestment amounted to 9 555 (10 522) TSEK, a decrease of -9,2% compared to the same period last year.
- Loss after financials and minority share amounted to -13 537 (-9 006) TSEK.
- Loss per share* before dilution amounted to -0,56 (-0,39) SEK.
- Loss per share* after dilution amounted to -0,51 (-0,36) SEK.

Second quarter (2020-04-01 to 2020-06-30)

- Net turnover amounted to 4 746 (3 419) TSEK, an increase +38,8% compared to the same period last year. (Last year's sales figures have been adjusted with 1 866 TSEK to reflect the divestment of Travelogix Ltd in Q3 2019.)
- Net turnover before adjusting for the divestment amounted to 4 746 (5 285) TSEK, a decrease of -10,2% compared to the same period last year.
- Loss after financials and minority share amounted to -7 928 (-4 633) TSEK.
- Loss per share* before dilution amounted to -0,33 (-0,20) SEK.
- Loss per share* after dilution amounted to -0,30 (-0,19) SEK.
- The solidity** amounted to 62,4 (53,8) %.

The Parent Company**First six months (2020-01-01 to 2020-06-30)**

- Net turnover amounted to 9 556 (6 978) TSEK, an increase of +36,9% compared to the same period last year.
- Loss after financials and minority share amounted to -13 409 (-8 812) TSEK.
- Loss per share* before dilution amounted to -0,55 (-0,38) SEK.
- Loss per share* after dilution amounted to -0,50 (-0,35) SEK.

Second quarter (2020-04-01 to 2020-06-30)

- Net turnover amounted to 4 745 (3 557) TSEK, an increase of 33,4% compared to the same period last year.
- Loss after financials amounted to -7 869 (-4 675) TSEK.
- Loss per share* before dilution amounted to -0,32 (-0,20) SEK.
- Loss per share* after dilution amounted to

SaaS Metrics**Second quarter (2020-04-01 to 2020-06-30)**

Recurring revenue amounted to 4 338 (3 455) TSEK, which represents 91% (96%) of the Parent company quarterly revenue.

Annual recurring revenue (ARR) at the end of Q2 2020 was 17 352 (13 821) TSEK, an increase of +26% compared to Q1 2019.

Churn for the quarter was 8%.

"Parent company" or "Safeture", comprises of Safeture AB with company number 556776-4674, without subsidiaries.

"The Group" comprises the Parent company, including subsidiaries. On June 30th, 2020, the Parent company owned 100% of the shares in GWS Production (Singapore) Pte Ltd, 99,99% of the shares in GWS do Brasil Soluções e Sistemas Tecnológicos em Segurança Ltda and 35% of the shares in Carefindy AB (minority interest).

Amounts within brackets regard the corresponding period last year.

**Result per share: The result is divided by the average number of shares (after dilution includes average number of share options). In Q2 2020 the calculation includes the 2,3 million emission rights that was issued in June 2020, which will be converted to shares in July 2020.*

***Solidity: Equity divided by total assets.*

Significant events during the second quarter 2020.

- Three large orders were signed during the Q2. Siemens signed an order worth 767 TEUR over three years, Americas insurance giant Chubb signed an extension order worth a minimum of 2000 TUSD over 5 years and International Paper signed an order worth 404 TUSD over three years.
- In May Safeture launched the www.openupforbusiness.com website. The first interactive mapping tool to visualize which Covid-19 restrictions that applies to specific countries. The tool was made available to embed on other sites free of charge.
- Safeture launched a Facilities tool to simplify worker communication. The new tool help employers more easily keep track of their employees' locations and quickly communicate with them at critical times regardless of where they are. The new Facilities feature is an addition to Safeture's existing platform.
- The issuing of 2,3 million new shares at a price of 10 SEK/share was announced in May. The emission was primarily directed to current shareholders and was 100% guaranteed by Adma Förvaltnings AB. The emission was signed up to 101,1% and 23,2 MSEK was added in cash.

Significant events after the second quarter, 2020.

- On July 7th Safeture announced a collaboration with MAX Security, a world leading company within the area of risk analysis.

Message from the CEO Magnus Hultman

Increasing Awareness Drives Rising Sales

Safety is the main concern since the outbreak of Covid-19, not just at the international and country level, but the main topic in company boardroom discussions. Of course, general safety is critical at a time like this, but an important subset of this is employee safety and what steps companies can actively make to protect their biggest assets. Safeture is determined to play a leading role in ensuring companies have the tools they need to make the best-informed decisions possible. Thanks to more and more companies finding their way to Safeture and

after successfully raising SEK 23.2 million to pursue future growth, Safeture is in a strong position for the future.

Safeture released its Corona Exposure tracker soon after the outbreak went global, using its technological and analytical expertise to fight the expansion of the virus. In the second quarter we launched the website openupforbusiness.com, where information regarding quarantines, lockdowns, border restrictions and travelling data was gathered and made free to everyone with the possibility to embed the data on a separate website or intranet. The superb timing of the site was mostly a brand awareness campaign for Safeture to help companies get back to work and get the economy up and running again. We gained hundreds of new business opportunities globally for our rapidly expanding sales organization.

The second quarter of 2020 was another strong quarter. Year-on-year, sales jumped 33,4% percent to SEK 4,7 million even though there was a sharp drop in general business activity given the economic impact of the crisis. An increasing number of companies opened their eyes to the importance of safeguarding their employees, while also dramatically cutting back on travel. Still, the surging interest in employee safety has dramatically expanding our sales pipeline even though we expect longer lead times because of economic factors and because it was simply more difficult to get decision makers in the same room, whether it was physical or digital.

Among our existing customers, we see some segments having a more difficult time, causing a churn of about 8 percent, which is more than we expected. We are trying to be flexible to maintain future relationships. A few customers have renegotiated, pausing the agreement with Safeture, while two clients are at risk of discontinuing with the service due to solvency issues.

All in all, this dip on the monthly recurring revenue (MRR) is somewhat offset by numerous new clients signing up with the Safeture platform, especially the global agreement with the German manufacturing giant Siemens. I also want to flag the partnership signed with security consultancy SPS Global, which resulted in Safeture winning a significant US-based customer that will increase our recurring revenue in the third quarter. This contract was for our Enterprise platform with USA-based International Paper, one of the world's largest manufactures of fiber-based packaging, pulp and paper. All of these deals highlight the success of our expanding sales efforts.

We launched several new products during the second quarter, including the Safeture Facilities tool, which keeps you informed and updated of incidents taking place nearby any company facility such as local offices, factories, warehouses, stores, or other types of establishments, displaying a geographical overview of company assets and communicating with users connected to the facility. We will continue to invest in the platform to broaden its capability as well as bring in third partners to bolster the offer.

Given the virus is playing such a massive role in how companies are operating these days, I thought it best we highlight a few of the short and longer-term effects we see impacting Safeture. While we all hope this nasty virus dies out so we can find our way back to our normal lives again, Safeture is actually one of few companies that is resilient to the corona virus and its effects on general society.

Short-term potential effects

- Uncertainties in the world are positive for Safeture's business because of what we offer. We have seen lots of interest in our platform, and we currently have more customers testing our software than ever before.
- Our Corona Exposure Tracker generated a lot of attention since 27 February when it was launched. Safeture has received broad global attention, and interest has clearly increased.
- Existing customers are adding more users to their accounts.
- We still have a couple of employees in quarantine or staying at home as a precaution. It has yet to significantly impact productivity but will result in a few new challenges.
- Fewer physical customer meetings due to travel bans but continued high level of online meetings, no immediate effect on sales cycles
- Harder to recruit since physical meetings are a problem and potential candidates might not be willing to switch jobs at this stage

Long-term potential effects

- Corporate resilience, business continuity and employee safety are becoming board room discussions due to the corona crisis. This is very beneficial to Safeture.
- A recession would affect general business climate, budgets and willingness to invest
- Less travelling will have a negative effect on travel safety concerns
- Increased churn due to economic reasons

Looking Ahead

Companies are still under pressure because of this virus, but employee safety is a hot topic that will benefit Safeture for many quarters to come. We received a record amount of proposal requests during the second quarter and based on our historic "hit rate," I am optimistic for the third quarter. Our sales team is hard at work chasing down these new leads. Thanks to our scalable software-as-a-service business model, we are confident our aggressive sales strategy will pay off.

We successfully raised SEK 23.2 million in the quarter, which will help fund our bold expansion plans. We are focused on continuously expanding our software offering to make it the best possible and growing our business to broaden our international reach.

PRESS RELEASE 2020-07-31

The virus has reshaped the world and how we interact and do business. It is encouraging to see more companies understanding the key role they play in protecting employees. Safeture will be there as a trusted partner to help them.

Lund, July 2020 Magnus Hultman CEO, Safeture AB

About Safeture AB

Safeture offers a complete cloud-based SaaS platform designed to manage risk, safety and crises involving employees wherever they are.

The Safeture Enterprise cloud-based SaaS platform gives larger corporations the ability to effectively automate safety and security processes. Today's employees are constantly on the move, and companies demand a flexible software solution that seamlessly integrates with their own internal systems.

Modern companies' operations are closely tied to the employees and mobile technology enables them to work everywhere; at home, at airports, at café's or at suppliers. With globalization driving increased mobility, companies need new tools to safeguard both their employees and their operations. Safeture Enterprise creates a virtual security sphere around each employee wherever they are. The most common usage of the platform is Travel Risk Management for business travelers.

The Safeture Enterprise platform has a vast number of functions and components that can be used off-the-shelf, such as mobile apps, travel tracking, flight updates, global real time alerts, e-learning, bulk messaging, country and medical information, all in the same tool. It is an open platform, which allows clients to adopt specific internal processes and integrate it with external suppliers, such as assistance providers or other software, including internal employment databases or intranets.

The proven Safeture TRM (Travel Risk Management) software is a part of the Enterprise platform and is also available separately for smaller companies. The TRM software has been popular with many customers for years and is often a starting point for a new customer before they evolve to use other tools on the platform.

The Safeture share is listed on NASDAQ First North Growth Market Stockholm (ticker: SFTR). Erik Penser Bank AB is the Certified Adviser. Ph: +46 8-463 83 00 E-mail: certifiedadviser@penser.se.

This press release is information that Safeture AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 am CET on 2020-07-31.