

Year-end Report Q4 2024

Continued EBIT improvement and revised mid-term financial targets

- Annual Recurring Revenue (ARR) growth of +8% to 58,0 MSEK.
- Recurring Revenue (share 97%) growth of +15% to 14,2 MSEK.
- Operating Revenue decline of -1% to 14,6 MSEK (compared with an exceptional quarter last year).
- EBIT improvement year-on-year of +2,2 MSEK, reaching +0,3 MSEK EBIT and an operating margin at +2% (-13%).
- Gross margin at 79% (80%).
- Quarterly churn at 5,0%
- Yearly NRR at 98%.

The revised mid-term financial targets are:

- Average (year-on-year) revenue growth of 15%
- Continuously improved gross margins to above 80%
- Sustainable profitability at an ARR equal to 65 MSEK

Classics

Full year (2024-01-01 to 2024-12-31)

- Operating Revenue amounted to 56 403 (48 914) KSEK (+15%).
- EBIT amounted to -167 (-6 685) KSEK.
- Result after financial items amounted to +507 (-6 329) KSEK
- Earnings per share before dilution amounted to 0,01 (-0,16) SEK.
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Fourth quarter (2024-10-01 to 2024-12-31)

- Operating Revenue amounted to 14 571 (14 731) KSEK (-1%).
- EBIT amounted to +278 (-1 899) KSEK.
- Result after financial items amounted to +909 (-1 690) KSEK.
- Earnings per share before dilution amounted to 0,02 (-0,05) SEK.
- Earnings per share after dilution amounted to 0,02 (-0,04) SEK.

SaaS traction

Fourth quarter (2024-10-01 to 2024-12-31)

- Annual Recurring Revenue (ARR) at the end of Q4 2024 reached 58 020 (53 527) KSEK, a year-on-year increase of +8%.
- Recurring Revenue increased by +15% to 14 193 (12 381) KSEK, which represents 97% (84%) of the quarterly revenue.
- Churn for the quarter was 5,0%.
- Yearly Net revenue retention (NRR) was 98%.

Message from the CEO

“Continued EBIT improvement with 15% Recurring Revenue growth”

The fourth quarter was a weak sales quarter, and we suffered from high churn. However, our SaaS model showed strength in both profitability improvement (EBIT growth of +2,2 MSEK compared to Q4 last year) and a growing recurring revenue (+15 % YoY). Recurring revenue as a share of total operating revenue was 97 %.

In Q4, our operating revenue reached 14,6 MSEK, which was slightly lower than last year. However, Q4 2023 was exceptional with a high share of one-time revenues and startup fees and our strongest sales quarter ever.

The weaker sales quarter is primarily due to two factors: slower-than-expected sales in the European market, where recession-prone Germany is our biggest market, and revenue churn, also derived from a weak German market. Fortunately, we have an insignificant logo churn, but managing agreement extensions causes revenue churn. For the first time, NRR for the quarter was under 100% and landed at 98 %, because of 5 % churn.

2024 showed big profitability improvement

Safeture improved its EBIT by +2,2 MSEK (YoY) and reported a positive EBIT at +0,3 MSEK in Q4. The main reasons were strict cost control and continued high gross margins (79%).

The main goal for 2024 was to show our ability to generate profit which was accomplished in Q3 as well as during Q4. For the consolidated full year of 2024, Safeture made an exceptional EBIT improvement with +6,5 MSEK.

2025 holds some uncertainty for our goal of sustainable profitability; General market uncertainty in general and in Europe specifically. We see a need to speed up development projects to further strengthen our position as the world's leading people risk management platform where Safeture is a critical component in the Business Continuity Management (BCM) space, protecting what matters the most: people.

Looking ahead to 2025

Safeture is well-positioned in the Travel Risk Management sector, serving medical assistance providers, security companies, and insurers with cutting-edge technology. Industry forecasts indicate a 15% annual growth in travel insurance over the next decade, which can be considered our base growth trajectory. Throughout the year we have been in close dialogue with our vast partner network, and they share this view of the market.

Achieving additional growth will rely on two key strategies:

1. Expanding our partner network – onboarding new partners as providers for future clients and migrating existing customer bases to the Safeture platform.
 2. Entering adjacent categories – leveraging our modular and scalable platform to tap into new segments, with the B2C insurance industry as an immediate opportunity.
- Based on these insights we are adjusting our mid-term financial growth targets to be aligned with our partners and the markets estimates. 15 % year on year growth and with a potential for additional growth based on new partner acquisition and further development of our market offering.

We believe this growth can be achieved with modest OPEX adjustments while maintaining our goal of sustainable profitability from 65 MSEK ARR and beyond.

The revised mid-term financial targets are:

- Average (year-on-year) revenue growth of 15%
- Continuously improved gross margins to above 80%
- Sustainable profitability at an ARR equal to 65 MSEK

Strengthening Strategic Partnerships

Strategic collaborations will play an essential role in 2025. A prime example is our partnership with risk intelligence provider Riskline. In December, we launched the Safeture Risk Map 2025, supported by a global marketing and PR campaign that has already generated 1,200 press clippings in 73 countries, 3,000 downloads, and +300 leads, leads we can present to our partner network.

You can download the 2025 Risk Map here: <https://safeture.com/riskmaps/>

As we enter 2025, Safeture remains focused on sustainable profitability, innovation, and expanding our market presence. With a strong foundation in place, we are confident in our ability to deliver long-term value for our stakeholders.

Magnus Hultman CEO

Lund - February 14th, 2025

For the full report: <https://investor.safeture.com/financial-reports-presentations/>

For additional information, visit safeture.com or contact:

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This information is such information as 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, on February 14th 2025 at 08:00 CET.

About Safeture AB

Safeture (founded in 2009) is a Software as a Service (SaaS) company based in Sweden. The company offers a complete platform designed to handle safety and risks for employees, wherever they are. Through world-leading technology and innovative solutions, Safeture helps risk management- and assistance providers secure their clients, global companies, and organizations to protect what matters most – their people. The Safeture share is listed on the NASDAQ First North Growth Market Stockholm (ticker: SFTR). Redeye is the Certified Adviser.