

## Interim Report Safeture AB Q1 2023:

### Continued 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%

#### 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%.

### 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.

## Message from the CEO

### **“Continued 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. As we continue to move forward, Safeture will continue to prioritize profitability. While we continue to pursue expansion opportunities, our emphasis on sustainable profitability means that we are willing to sacrifice short-term sales growth in favor 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**

For the full report: <https://investor.safeture.com/arsredovisningar-och-rapporter/>

**For additional information, visit [safeture.com](https://safeture.com) or contact:**

Safeture CEO Magnus Hultman: +46 706 00 81 66. [Magnus.hultman@safeture.com](mailto:Magnus.hultman@safeture.com)

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 April 20<sup>th</sup> 2023 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 NASDAQ First North Growth Market Stockholm (ticker: SFTR). Redeye is the Certified Adviser.