

Interim Report Safeture AB Q3 2023:

“On the edge of turning the profit corner”

- Annual recurring revenue (ARR) growth of +26% to 50,3 MSEK.
- Recurring revenue amounts to 12,3 MSEK compared to 9,2 MSEK last year (+33%).
- EBIT improvement year-on-year of 2,3 MSEK, reaching -0,6 MSEK.
- Bottom-line result at -4% of net sales compared to -31% one year ago.
- Quarterly churn at 0,5%
- Yearly NRR at 113%

Classics

First nine months (2023-01-01 to 2023-09-30)

- Net revenue amounted to 34 182 (26 242) TSEK (+30%).
- Loss after financials amounted to -4 639 (-11 816) TSEK.
- Loss per share before dilution amounted to -0,12 (-0,39) SEK.
- Loss per share after dilution amounted to -0,11 (-0,37) SEK.

Third quarter (2023-07-01 to 2023-09-30)

- Net revenue amounted to 12 438 (9 229) TSEK (+35%).
- Loss after financials amounted to -550 (-2 859) TSEK.
- Loss per share before dilution amounted to -0,01 (-0,09) SEK.
- Loss per share after dilution amounted to -0,01 (-0,09) SEK.

SaaS Traction

Third quarter (2023-07-01 to 2023-09-30)

- Annual recurring revenue (ARR) at the end of Q3 2023 reached 50 332 (40 085) TSEK, a year-on-year increase of +26%.
- Recurring revenue increased +33% to 12 262 (9 218) TSEK, which represents 99% (100%) of the quarterly revenue.
- Churn for the quarter was 0,5%.
- Net revenue retention (NRR) was 113%.

Message from the CEO

“On the edge of turning the profit corner”

Financial performance and progress toward profitability

The third quarter was a typical “summer quarter”. The number of opportunities was promising but didn’t materialize to the extent we wanted, bringing the Annual Recurring Revenue (ARR) to 50,3 MSEK, an increase of +26% year-on-year. Due to a higher order intake in Q2, sales increased by 35% from Q3 last year, reaching 12,4 MSEK. The Net Revenue Retention (NRR) was 113%, of which quarterly churn was a mere 0,5 %. A very healthy number.

Continuous improvement in the gross margin combined with strict expense control helped us to get close to our short-term target of reaching profitability. Safeture is now on the verge of reaching profitability.

The partner base brought in 100 % of new ARR. The importance of continuing to work on our partner positioning is evident and will help us to continue to grow while maintaining our current cost structure.

Management team transitions

Last quarter, two key members of our management team, the CRO and the CFO, successfully transitioned to exciting opportunities in other tech companies. We commend their achievements in securing new, demanding roles in the industry. Having 2 members of the management team leaving could stress any CEO out, but with a great team effort, we pulled through. A new CRO, Andreas Granath is in place. Andreas has previously held senior sales positions at Qlik, NodeGraph, Readsoft and HP.

In addition, we are excited to announce the appointment of our new CFO, Jessica Eberhagen. Jessica joins Safeture with extensive financial expertise acquired from her diverse background in business controller and leadership roles within multinational companies spanning various industries.

Scaling for Success: Navigating Complexity in Onboarding Projects

From spring up until now, Safeture has been engaged in several large onboarding projects with big partner clients. We know the drill, but the bigger they get, the more complex it becomes. Not only the sheer number of users but also the integrations requested, ranging from travel booking integrations, HR databases and single sign-on setups. It’s easy to believe that “just add more resources” is the answer, but we firmly believe that this is not the only solution. Instead, we focus on how we can scale our existing organization. We aim to have proper processes, clear documentation, the right tools and cross-functional knowledge

sharing. It's not a quick fix, and the most important thing is to have the mindset to continually improve how we do things.

Now it's time for the last sprint of the year, where the objectives are crystal clear. Focus on costs, reach profitability, successfully onboard the new team members, and close deals.

Magnus Hultman, CEO at Safeture.
Lund - October 20th, 2023

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

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 October 20th 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 the NASDAQ First North Growth Market Stockholm (ticker: SFTR). Redeye is the Certified Adviser.