



To: *the Bucharest Stock Exchange*
the Romanian Financial Supervisory Authority

CURRENT REPORT 35/2023

Pursuant to Law no. 24/2017 on issuers of financial instruments and market operations and to the Romanian Financial Supervisory Authority Regulation no. 5/2018 on issuers and operations with securities, as subsequently amended and supplemented and the provisions of Article 99 of the Bucharest Stock Exchange Code, Title II, Issuers and Financial Instruments.

Date of report	07.11.2023
Name of the Company	Safetech Innovations S.A.
Registered Office	12-14 Frunzei Street, District 2, Bucharest
Phone	+40 754 908 742
Email	investors@safetech.ro
Registration nr. with Trade Registry	J40/3550/2011
Fiscal Code	28239696
Subscribed and paid share capital	13,300,000 lei
Total number of shares	66,500,000
Symbol	SAFE
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Standard Category

Important events to be reported: Availability of Q3 2023 Results

In the first nine months of 2023, the Company's turnover at individual level amounted to 20.1 million lei, a decrease of 4% compared to the same period last year, with cybersecurity services contributing 47% to the total turnover and the implementation of cybersecurity solutions bringing in 53%. In the first nine months of 2023, Safetech Innovations gained 12 new clients on the local market.

Other operating revenues increased by 23% in 9M 2023, up to 9.2 million lei, representing subsidies for investments transferred into revenues and corresponding to the depreciation recorded for own solutions (non-reimbursable European funds project, completed in 2019) in the amount of RON 363K, as well as revenue from the production of fixed assets in the amount of 8.8 million lei.

In terms of expenses, in 9M 2023, the highest contribution is represented by employee benefits expenses, which increased by 19% compared to 9M 2022, reaching 8.1 million lei. As of September 30, 2023, the Company had 61 employees, compared to 49 employees as of September 30, 2022. The second major cost were costs of goods, which increased by 7% compared to the same period last year and reached 4.8 million lei. This increase is driven by the larger size of the business and represents the cost of implemented solutions.

SAFETECH INNOVATIONS S.A.

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Solde Identification Code: RO 28239696 • Trade Registry Registration Number: J40/3550/2011
www.safetech.ro



Other operating expenses increased by 8% in the first nine months of this year, up to 3.2 million lei. This category includes goods, third-party services, royalty expenses, management premises, rents, postal and telecommunications taxes.

Depreciation and amortization decreased by 26% in 9M 2023, up to 1.8 million lei and represent fixed assets, such as laptops, furniture, monitors, as well as a process automation solution acquired in 2021 as part of the EU research and development project necessary to carry out the activity to increase the competitiveness of the company. These elements generate expenses with monthly amortization, by amortizing them using the straight-line method.

The category of provisions, in the amount of 99K lei, represents the cancellation of the provision from 2022, which was constituted in accordance with the not taken leave days.

The operating result in 9M 2023 reached 6.9 million lei, a 13% increase compared to the same period last year, due to the larger scale of business and as a result of the increased focus on higher-margin services.

Financial expenses increased by 19% compared to the same period last year, reaching 160K lei. At the same time, financial revenues increased by 5% in 9M 2023, up to 113K lei. Therefore, the gross result for 9M 2023 was 6.8 million lei, a 13% increase compared to the same period of 2022. The income tax increased to 964K lei in the first nine months of this year, a 10% increase, in line with the increase in gross profit. Therefore, the individual net result for the first nine months of this year was 5.9 million lei, a 13% increase compared to the same period last year.

Report availability

The Company's interim individual results for Q3 2023 are available on the website of the company, www.safetech.ro, in the dedicated section "Investors" / "Financial Results", on the website of the Bucharest Stock Exchange, www.bvb.ro, symbol: SAFE, as well as are attached to this current report.

Victor GANSAC

CEO