



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

## CURRENT REPORT 43/2023

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	<b>07.12.2023</b>
Name of the Company	<b>Safetech Innovations S.A.</b>
Registered Office	<b>12-14 Frunzei Street, District 2, Bucharest</b>
Phone	<b>+40 754 908 742</b>
Email	<b>investors@safetech.ro</b>
Registration nr. with Trade Registry	<b>J40/3550/2011</b>
Fiscal Code	<b>28239696</b>
Subscribed and paid share capital	<b>13,300,000 lei</b>
Total number of shares	<b>66,500,000</b>
Symbol	<b>SAFE</b>
Market where securities are traded	<b>Bucharest Stock Exchange, Main Segment, Standard Category</b>

**Important events to be reported:** Revised 2023 Revenue and Expense Budget

The management of Safetech Innovations S.A. (hereinafter referred to as the “**Company**”) informs investors about the need to revise the Revenue and Expense Budget for 2023, both on an individual and consolidated level.

BUDGET FOR 2023 - INDIVIDUAL	APPROVED	REVISED
<b>Total revenue</b>	<b>51,750,000</b>	<b>45,425,000</b>
Turnover	44,000,000	33,000,000
Revenue from intangible assets	7,325,000	12,000,000
Other operating revenue	400,000	400,000
Financial revenue	25,000	25,000
<b>Total expenses</b>	<b>36,800,000</b>	<b>34,387,000</b>
<b>Gross result</b>	<b>14,950,000</b>	<b>11,038,000</b>
Income tax	2,400,000	1,480,000
<b>Net result</b>	<b>12,550,000</b>	<b>9,558,000</b>

The revision of the budget at the individual level is necessary as a result of the influence of several indirect and direct factors that affect the financial situation of the Company.

The recent legislative changes brought to the Fiscal Code, combined with the intensification of discussions in the second half of the year related to a global recession, also fueled by the outbreak of the conflict in Israel, created uncertainty in the market and left their mark on the activity of companies and on their budgets.

**SAFETECH INNOVATIONS S.A.**

As a result of these factors, the decision of potential partners to make investments in cyber security was prolonged, and in the second part of the year it was even possible to observe a postponement for 2024 of the investments and the implementation of cyber security measures.

On the other hand, the negative impact was felt directly as a result of the delay in the implementation of the National Recovery and Resilience Plan, affecting investment projects and, implicitly, the Company's revenues. Moreover, the capping of budget expenditures, according to the new legislative provisions, imposes significant financial restrictions that could not be anticipated at the time of the preparation of the 2023 revenue and expense budget. These factors led to the postponement of the signing of several contracts.

Considering the above, the Company's management estimates that the 2023 unrealized profit will be reflected in the Revenue and Expense Budget for 2024.

<b>BUDGET FOR 2023 - CONSOLIDATED</b>	<b>APPROVED</b>	<b>REVISED</b>
<b>Total revenue</b>	<b>65,891,950</b>	<b>45,425,000</b>
Turnover	58,125,000	33,000,000
Revenue from intangible assets	7,325,000	12,000,000
Other operating revenue	400,000	400,000
Financial revenue	41,950	25,000
<b>Total expenses</b>	<b>49,230,000</b>	<b>41,287,000</b>
<b>Gross result</b>	<b>16,661,950</b>	<b>5,738,000</b>
Income tax	2,725,271	1,480,000
<b>Net result</b>	<b>13,936,679</b>	<b>4,258,000</b>

In 2023, the Company continued its development plans outside Romania, in the United Kingdom. Against the background of overlapping crises, the development of the entity in this country did not go according to the Company's expectations, but the management is confident that the activities undertaken will bring results in the near future.

In the UK the time to convert leads to contracts increased significantly, from three to nine months, three times more than the Company's initial forecasts, thus affecting previous estimates. The already complex situation was also aggravated by the war in Israel, a country renowned as a center for IT services. The conflict not only disrupted regional stability, but also had profound implications for the global technology sector.

At the end of this year, the UK entity took out a loan on preferential terms to finance the current business until it is able to cover the costs on its own. The respective loan was not granted by the Company and therefore has no effect on the results of the Company on an individual basis.

Victor GANSAC

CEO