



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

CURRENT REPORT 06/2024

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	27.02.2024
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: 2023 Preliminary Financial Results

In 2023, the Company's turnover at individual level amounted to RON 31.1 million, an 11% decrease compared to 2022. During the year, cyber security services contributed 31% to the total turnover, and the implementation of cyber security solutions contributed 69%. In 2023, Safetech Innovations gained 14 new customers from the Romanian market.

Other operating revenues increased by 361% in 2023, up to RON 1.6 million, the major share of these revenues 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 terms of expenses, in 2023, the biggest contribution was represented by employee benefits expenses, which increased by 16% compared to 2022, reaching RON 11.5 million. The Company had 62 employees at the end of 2023, up from 50 employees at the end of 2022. The second major cost is the cost with merchandise, which increased by 71% compared to 2022, up to approximately RON 10 million. This increase is driven by the larger size of the business and represents the cost of the implemented solutions.

Other operating expenses decreased by 15% in 2023, up to RON 4.4 million. This category includes services performed by third parties, royalty expenses, management premises and rents, as well as postage and telecommunications charges. The decrease is also caused by not including the cost of goods in this category, while the other expenses, representing the costs with the equipment and licenses related to the project with EU funds, registered a lower level

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than those in 2023. The costs of raw materials and consumables also registered a decrease of 41% in 2023 compared to the previous year, up to RON 7.1 million due to registering a lower turnover compared to last year.

Depreciation and amortization decreased by 24% in 2023 to RON 2.4 million and represent fixed assets such as laptops, furniture, monitors, as well as a process automation solution, purchased in 2021 as part of the EU research and development project, necessary to carry out the activity in order to increase the company's competitiveness. These elements generate expenses with monthly amortization, by amortizing them using the straight-line method.

The category of provisions, worth RON 121K, represent receivables from uncertain customers, whose maturity has exceeded 6 months or are facing insolvency.

At the individual level, the operating result reached RON 11.1 million in 2023, a decrease of 5% compared to the previous year, mainly due to registering a lower turnover compared to last year.

Financial expenses increased by 12% compared to 2022, reaching RON 225 thousand. At the same time, financial revenues decreased by 28% in 2023, up to RON 115 thousand. Therefore, the gross result for 2023 was RON 11 million, a 5% decrease compared to the previous year. The profit tax decreased by 5%, up to RON 1.3 million in 2023, in line with the decrease in the gross result. Therefore, the net result at individual for 2023 was RON 9.7 million, a decrease of 5% compared to the previous year.

At the consolidated level, which includes the results of the UK entity, considering that this entity did not have any significant sales in 2023, the Safetech Innovations recorded approximately the same turnover as the one registered at the individual level, and the net profit was RON 3.8 million.

Report availability

The 2023 unaudited individual and consolidated preliminary financial results of Safetech Innovations S.A. are available on the Company's website, www.safetech.ro, in the Investors section and on the issuer's profile on the website of the Bucharest Stock Exchange, www.bvb.ro. The results are also attached to this current report.

Investors call

On 28.02.2024, at 12:00, Bucharest time, the management will organize a conference call in Romanian for the presentation of the preliminary financial results for 2023. To participate in the conference call, interested parties are requested to e-mail investors@safetech.ro. The confirmation e-mail, as well as the authentication details, will be shared on 27.02.2024, end of business.

Victor GANSAC

CEO

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