To: *the Bucharest Stock Exchange*

the Romanian Financial Supervisory Authority

CURRENT REPORT 25/2024

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	**04.07.2024**
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	**13,616,540 lei**
Total number of shares	**68,082,700**
Symbol	**SAFE**
Market where securities are traded	**Bucharest Stock Exchange, Main Segment, Standard Category**

Important events to be reported: Information document regarding the free assignment of shares to employees

The management of Safetech Innovations S.A. (hereinafter referred to as the "Company") informs investors about the free assignment of 256,823 shares to employees within the Company and the publication of the Information Document drawn up in accordance with art. 1 paragraph (4) lit. i) from Regulation no. 1129/2017 regarding the prospectus that must be published in the case of a public offer of securities or the admission of securities to trading on a regulated market, and repealing Directive 2003/71/EC.

The information document is attached to this current report.

Victor GANSAC

CEO

INFORMATION DOCUMENT REGARDING THE ALLOCATION OF FREE SHARES TO THE EMPLOYEES OF SAFETECH INNOVATIONS SA

INFORMATION DOCUMENT ACCORDING TO ART. 1 PAR. (4) LETTER I) FROM REGULATION NO. 1129/2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71/EC

I. INFORMATION ON THE NUMBER AND NATURE OF SECURITIES

SAFETECH INNOVATIONS SA (hereinafter referred to as the **"Company"**), with registered office in 12-14 Frunzei Street, 1-2 floors, District 2, postal code 021533, Bucharest, Romania, registered at the Trade Registry Office under no. J40/3550/2011, having Sole Identification Code RO 28239696, assigns, free of charge, a number of 256,823 registered, ordinary, dematerialized shares issued by the Company, with a nominal value of 0.2 lei each, to employees of the Company who have exercised their options to receive shares.

II. REASONS FOR THE ALLOCATION OF SHARES

By adopting EGMS Decision dated 21.07.2022, the Company's shareholders decided to adopt a Stock Option Plan type program, in order to reward and retain employees and members of the Company's management bodies ("**SOP Program**"), a program that takes place between 2022-2024. The founding shareholders of the Company were not included in the SOP Program.

The decision to establish the group of potentially eligible employees, the rules for determining the people who will be able to benefit from this plan, the term in which the option can be exercised, the procedure of the SOP Program, the eligibility conditions and the number of participation titles granted, as well as possible limitations belonged to the Board of Directors of the Company on the date of granting the options.

By adopting this plan, the Company confirms its intention to co-interest the employees, in the good running of the company, by offering them the possibility of becoming shareholders within the Company. This approach is a natural step in building a culture open to communication and innovation within SAFETECH, with community spirit, which encourages professional and personal growth, creates a space for involvement and, at the same time, partnership.

At the same time, the implementation of the SOP Program represents a differentiating element in the technology labor market, where recruiting highly qualified personnel is an increasing challenge. Participation in the company's performances represents an element that the Company's management considers defining for SAFETECH's differentiation in the market. In this way, the Company can attract personnel with vast expertise, of various seniorities, the quality of human resources and the expertise of the team being a vital element in the company's field of activity, especially in a complex field, such as that of cyber security.

Also, the Company decided to implement the SOP Program, due to the fiscal benefits that such a program presents. Thus, according to the definition mentioned in the Fiscal Code (Law 227/2015) "*stock option plan*" represents: "*a program initiated within a legal entity, under which it is granted to its employees, administrators and/or directors or of its affiliated legal entities, provided in point 26 letters c) and d), the right to purchase at a preferential*

price or to receive free of charge a determined number of participation titles, defined according to point 40, issued by the respective entity. "

According to point 40 of the Fiscal Code "*participation title*" is defined as "*any share in collective company, a limited partnership, a joint-stock company, a limited liability company, a limited joint stock partnership or in another legal person or in an open investment fund* ".

Also, in order to qualify a program as a "*stock option plan*", the respective program must include a minimum period of one year between the moment of granting the right and the moment of its exercise (purchase of participation titles).

It is important to note that the advantages granted in the form of options within a "*Stock Option Plan*" are not considered taxable income, at the time of granting the option, nor at the time of exercise of the option by the beneficiary, according to the provisions of art. 76 para. 4 letter r) from the Fiscal Code, being also exempted from the payment of social insurance contributions, in accordance with the provisions of art. 142 Fiscal Code.

In conjunction with the provisions of art. 94 of the Fiscal Code, regarding the determination of the gain/loss from the transfer of securities, as the investment income registered by the eligible persons as a result of the subsequent sale of the shares purchased under the "Stock Option Plan" programs are subject to income tax, the securities granted within a Stock Option Plan program become taxable only at the time when the beneficiary decides to sell these values.

Thus, through the SOP Program, the Company wanted to ensure its investment in the professional development of key people, preventing migration to the competition and capitalizing on the expertise developed within the Company, implicitly eliminating the cost of replacing these people.

III. DESCRIPTION OF THE SHARE ALLOCATION PROCEDURE

By adopting the EGMS Decision dated 21.07.2022, the Company's shareholders approved the distribution through the SOP Program of a maximum number of 6,650,000 shares, during the 2 years of the SOP Program, which will be offered in order to reward and retain employees and members of the Company's management bodies.

The Board of Directors was empowered to adopt any and all of the necessary measures and to fulfill all the formalities required for the approval and implementation of the SOP Program established by the EGMS Decision dated 21.07.2022, such as, but not limited to: (i) determining the criteria on the basis of which the rights to acquire shares will be granted to the beneficiaries of the plan in accordance with the terms and conditions of the SOP Program; (ii) the number of shares that will belong to each beneficiary of the Plan as the object of the rights to acquire shares (iii) the period between the date of granting the right to acquire shares and the date of its exercise, without the period being shorter than 12 months (iv) the conditions for exercising the right to acquire shares; (v) the term within

which the holder of the right to acquire shares must exercise this right, (vi) the preparation and publication of information documents in accordance with the law, etc. .

Taking into account those adopted by the EGMS Decision dated 21.07.2022, the Board of Directors adopted a decision, on 17.02.2023, which established the following:

(i) The allocation in the second year of the SOP Program (January 1, 2023 – December 31, 2023) of a total number of 1,000,000 rights regarding the free acquisition of shares of the Company ("Options"), corresponding to a total number of 1,000,000 shares;

(ii) The inclusion in the second year of the SOP Program of the first person eligible to participate, the rest of the persons being established by means of the Decision of the Board of Directors dated 23.10.2023;

(iii) Update for year 2 of the SOP Program of the procedure for exercising the rights regarding the free acquisition of shares under the SOP Program (together with the notice of accession, the answer of accession, the Agreement of Options, the notice to exercise and the answer of exercise);

(iv) Update for year 2 of the SOP Program of the evaluation form for establishing the degree of fulfillment of the individual performance objectives and the financial ones, as the case may be, for granting the possibility to exercise the Options offered through the SOP Program;

(v) Empowering the General Manager of the Company to carry out all measures to implement the SOP Program in its second year.

As a result of the Decision of the Board of Directors dated 17.02.2023 the notice of participating in the second year of the SOP Program was sent on 06.06.2023, and on 06.06.2023 the Option Agreement was concluded with the eligible person who has expressed his consent to join the SOP Program.

On 11.06.2024, taking note of the passage of the 12-month period from the date of signing the Option Agreement, as well as the fulfillment of the individual and financial performance criteria, the eligible person received the notification to exercise the Options, and on 11.06.2024, this person sent the responses to exercise the Options.

Following the receipt of the response for the exercise of the Options, on 03.07.2024 the Board of Directors took note of the fulfillment of all the conditions provided for the second year of the SOP Plan and adopted a decision establishing the transfer of 256,823 shares, which the Company held in treasury, to the participant of the SOP Program, for the financial year 01.01.2023 – 31.12.2023. The participant in the SOP Program, who will receive shares, as well as the number of shares due, is presented as an annex to the BoD Decision dated 03.07.2024, as Annex no. 1.

The list containing the rest of the eligible persons who were included in the 2nd year of the SOP Program was later approved by means of the Decision of the Board of Directors dated 23.10.2023.

The transfer of the right of ownership over the shares from the Company to the eligible person, will be carried out after the fulfillment of all the necessary conditions for the transfer, after the transmission of this document and the documents related to the transfer, to the Central Depository, according to the legislation in force.

This document was drawn up in accordance with art. 1 paragraph (4) lit. i) from Regulation no. 1129/2017 regarding the prospectus that must be published in the event of a public offer of securities or the admission of securities to trading on a regulated market, and repealing Directive 2003/71/EC and is to be submitted to the Financial Supervisory Authority, Bucharest Stock Exchange and the Central Depository.

VICTOR GANSAC

CEO

SAFETECH INNOVATIONS SA