

Safetech Innovations closed successfully the share capital increase operation by raising 10.6 million lei from investors

Bucharest, 19 January 2022 – Safetech Innovations (BVB: SAFE), a Romanian cybersecurity company listed on the AeRO market of the Bucharest Stock Exchange, announces the conclusion of the share capital increase operation and the raising 10.6 million lei from investors. The raised capital will expand the company's business by setting up two new subsidiaries in the UK - London and the US - Reston, Virginia, to promote and sell Safetech Innovations solutions and services in the two countries.

"We are glad that the share capital increase operation ended successfully, and we want to thank investors for placing their trust in Safetech's international development plans. Our teams have the necessary skills to provide cybersecurity services to clients in Romania and anywhere globally. The cybersecurity market is worth over 9 billion pounds in the UK, and 62% of companies outsource their cybersecurity activity. As for the US, we will open a branch office in Reston, Virginia, where there is an innovation cluster comprising 8,700 technology companies and over 530 cybersecurity companies. We want to develop an extensive distribution network in this market by partnering with other cybersecurity companies, local SMEs, and large integrators. Moreover, in the next period, we will set up a subsidiary in the United Arab Emirates - Abu Dhabi, which will allow us to operate in an environment with cybersecurity opportunities and challenges in the MENA - Middle East & North Africa region. Therefore, 2022 seems to be an intense one for us in terms of the company's development, and we are confident that in the medium and long term, our investors will be able to reap the benefits of this global expansion," stated Victor Gansac, CEO of Safetech Innovations.

Safetech Innovations approved the share capital increase operation within the EGMS in July 2021 by issuing 1,000,000 new shares. The process took place in two stages, between December 2021 and January 2022. In the first stage, between December 6, 2021, and January 5, 2022, existing shareholders could purchase newly issued SAFE shares based on SAFER01 preference rights. At the end of this stage, out of the total available shares, 522,191 shares were subscribed by investors from the Bucharest Stock Exchange, representing 52.2% of the total issuance. The shares were offered at a 10.4171 lei/share price, and Safetech raised 5.4 million lei.

The remaining 477,809 unsubscribed shares were offered in the second stage in a private placement brokered by SSIF Goldring and scheduled between January 19 and February 2, 2022. The share price under this stage was set at 10.9380 lei/share. The placement was closed already on the first day, being oversubscribed 1.6 times through the participation of 89 retail and professional investors. Following this stage, Safetech Innovations raised 5.2 million lei.

"The high interest in the share capital increase operation of Safetech Innovations proves that the increasing significance of cybersecurity in the context of accelerated digitalization is also making this sector attractive to investors. We are glad to see, once again, the capital market successfully confirming the financing role of the Romanian entrepreneurial companies, especially of those that deliver what they promise and communicate extremely well with investors. The results of the private placement, considering that the price at this stage was only significantly below market price, represent a vote of confidence and commitment of shareholders to the company," stated Virgil Zahan, CEO of SSIF Goldring.

Out of 10.6 million lei raised during the share capital increase operation, the amount of 5.7 million lei, also presented during the EGMS from July 2021, will be used to open the two subsidiaries. The rest will be used as working capital for future company projects in developing new cybersecurity solutions. For 2022, Safetech Innovations targets total revenues of approximately 44 million lei and a profit of 10 million lei,

according to the estimated revenue and expenditure budget published at the end of 2021. The estimate does not include the revenues generated by the subsidiaries that the company will open this year.

Starting with 29 January 2021, Safetech Innovations shares are floating on the AeRO market. The company has a market capitalization of over 180 million lei, and starting with 11 October 2021, SAFE shares are included in the BET-AeRO index developed by the Bucharest Stock Exchange for the AeRO market. Within this index, Safetech Innovations holds the third largest share.

About Safetech Innovations

Established in 2011, Safetech Innovations (SAFE) is currently the only dedicated information security company on the Romanian market, specialized in cybersecurity and implementation of cybersecurity solutions. Safetech Innovations' services include data protection, identification of vulnerabilities and risks, implementation of cybersecurity solutions and measures, response to cybersecurity incidents through STI CERT - Safetech Cyber Security Incident Response Center, and creation of an organizational culture oriented towards safety. The company has a broad portfolio of clients, having worked with more than 10 key institutions from the local financial banking sector, international players, as well as local companies from the energy, FMCG, telecom, IT&C and transportation sectors. Safetech Innovations (SAFE) is listed on the AeRO market of the Bucharest Stock Exchange market. Since October 2021, the company is included in the BET-AeRO index of BVB. www.safetech.ro