

## Safetech Innovations posts revenues of 15.3 million lei and 2.6 million lei in net profit in the first half of 2022

**Bucharest, September 5, 2022** – Safetech Innovations (BVB: SAFE), a Romanian cybersecurity company listed on the AeRO market of the Bucharest Stock Exchange, posts total operating revenue of 15.3 million lei in the first half of 2022, a 16% increase compared to the same period last year and a net profit of 2.6 million lei, a 104% increase compared to the first half of 2021. In the first six months of the year, the turnover amounted to 10.7 million lei, up 15%, mainly due to the upsurge in the cybersecurity service contracts.

*"This year, we have already managed to tilt the balance of our activity towards cybersecurity services, our main line of business, as cyberattacks have increased in frequency, representing one of the components of the ongoing hybrid warfare between different states, regionally and globally. At the same time, the increase in sales in this segment is extremely important as cybersecurity services have a higher profit rate than cybersecurity solutions. We expect the demand for cybersecurity services to continue its upward trend, significantly contributing to the increase in turnover and profitability. Therefore, considering the results recorded in the first six months of the year and the industry prospects, we keep the targets set in the 2022 revenue and expenditure budget, which foresee total operating revenue of 43.9 million lei, turnover of 40 million lei, and net profit of 10.1 million lei,"* stated Victor Gansac, Chairman of the Board of Directors and CEO of Safetech Innovations.

In the first half of 2022, cybersecurity services contributed 54% to total revenue, compared to 44% in the first six months of 2021. The implementation of cybersecurity solutions contributed 28%, compared to 55% in the first half of last year. Sales of goods accounted for 18% of total turnover.

Since the beginning of the year, Safetech Innovations has added eight new clients to its portfolio, both from Romania and abroad. During this period, new and recurring clients turned to cybersecurity services to increase the level of protection and to identify vulnerabilities and risks, carrying out compliance assessments, which then require investments based on tailor-made action plan. More and more of Safetech clients are investing in cybersecurity solutions only based on a detailed action plan.

In the first six months of 2022, Safetech Innovations continued its international expansion process and established the UK entity. The newly established company became operational on August 22<sup>nd</sup>, 2022, after completing all the necessary formalities. Thus, Safetech UK, officially named Safetech Innovations Global Services Limited, is 67% owned by Safetech Innovations. The activity of Safetech UK is coordinated by Anca Stancu, the General Director. Anca Stancu has over 23 years of experience in implementing business development strategies and sales management. In the following period, the activity of the UK entity will focus on building a local team, which will consist of three people by the end of 2022. The management of Safetech UK estimates revenues of approximately 170,000 pounds by the end of the year.

In terms of the US office, the company is in an advanced incorporation process and expects the procedures to be completed in the coming weeks. For the Abu Dhabi, United Arab Emirates entity, Safetech Innovations is still awaiting the completion of company incorporation procedures. However, it has already started working with its first UAE client through Safetech Innovations SA.

Regarding the transfer of Safetech Innovations to the Main Market of the Bucharest Stock Exchange, the company is on track with preparations in this direction and estimates that it will complete this process by the end of this year, or the beginning of 2023.

"We have already completed the accounting transposition for the last three years from the Romanian statutory accounting rules (RAS) to the international financial reporting standards (IFRS), and we are currently in the full audit process. We estimate that by the end of September, we will complete the audit process, including the first six months of the year. After we have the audited results, we will publish them and start the formal procedures with the local capital market institutions. The first step will be the selection of the broker for the transfer and drafting the listing prospectus, which we have already started working on," added Victor Gansac.

Safetech Innovations is listed on the AeRO market as of January 29, 2021. The company has a market capitalization of over 170 million lei.

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#### **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](http://www.safetech.ro)*