

Safetech Innovations reports 4.4 million lei turnover and 284 thousand lei in net profit in Q1 2021

Bucharest, 24 May 2021 – Safetech Innovations, a Romanian cybersecurity company listed on the AeRO market of the Bucharest Stock Exchange, reported in the first three months of 2021 operating revenues of 6.5 million lei (+162%), turnover of 4.4 million lei (+116%) and a net profit of 284 thousand lei (+190%). The company estimates that the turnover in 2021 will reach 20 million lei, with net profit reaching a historical high of 4.5 million lei in the context of growing demand for cybersecurity solutions.

“We see a growing demand for cybersecurity services both in Romania and on foreign markets, driven primarily by the shift to remote working patterns dictated by the global pandemic. Even though the vaccination campaigns progress and the restrictions lift, it is clear that companies will maintain, at least to some extent, the Work from Home model. This means that they will need to put a bigger focus on the cybersecurity aspects to secure the security of their networks, which is a great opportunity for us to grow our market share – in Romania and abroad,” said Victor Gansac, CEO of Safetech Innovations.

Apart from the WFH adaption by companies ranging from SMEs to big corporates, in the first three months of 2021, Safetech noted a growing demand coming from operators of essential services and digital service providers in the context of the transposition of the NIS directive into Romanian law at the end of 2020.

The increase in the revenues in the first quarter of 2021 was driven primarily by a 343% increase in revenue from security solutions – maintenance, support, and implementation of security solutions. Revenue from security services increased by 11%, reaching 1.6 million lei. 28% of the turnover generated in Q1 by Safetech was brought by recurring contracts with clients who are invoiced monthly, under for an average of 3-years. These agreements, signed throughout 2020, contributed significantly to Safetech’s profit growth. In 2020, Safetech signed recurring contracts for periods ranging between 2-3 years, with a total value of 3 million euro for 24/7 cybersecurity monitoring and response services and information security governance services.

Benefitting from the current global context – shift to work from home model, paired together with the growing number of cybersecurity attacks, Safetech Innovations decided to take the first steps in the geographical expansion of its activity. Consequently, the company aims to increase share capital and raise money from BVB investors to expand in the United Kingdom. Safetech intends is to set up a subsidiary in the UK, with a working point in the USA. The company has already carried out preliminary discussions with a UK-based start-up that will hold a minority stake in the new company.

The company plans to start the capital raising procedure after the distribution of dividends from 2020 net profits is finalized. In 2020, Safetech recorded 14.7 million lei turnover and 3.1 million lei in net profit. The General Meeting of Shareholders from April 2021 has agreed to a hybrid dividend model - capitalization of 2.5 million lei from the profit as well as the distribution of cash dividend in the amount of 437.500 lei. Consequently, shareholders will receive, for each share held, four free SAFE shares as well as 0.14 lei. The ex-date for cash dividend is July 17th, 2021, and the payment date is July 30th. For free shares, the ex-date is July 19th, and the payment date is July 21st.

Safetech Innovations is listed on the AeRO market since January 29th, 2021. The company has a market capitalization of over 150 million lei. Since the debut, investors have traded SAFE shares in a total value of 23.6 million lei, which brings the average daily traded value to 1.1 million lei. On May 24th, 2021, before publishing the Q1 2021 financial results, SAFE shares traded at 48.95 lei per share, A 104% increase since the price from the first day of trading, on January 29th, 2021.

For media inquiries, please contact:

Zuzanna Kurek – Partner, Cornerstone Communications
zuzanna.kurek@cornerstone-comm.ro | 0742 431 111



SAFETECH
INNOVATIONS

Safetech Innovations

Str. Frunzei nr. 12-14

Bucharest, Romania

www.safetech.ro | office@safetech.ro

About Safetech Innovations

Established in 2011, Safetech Innovations 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. www.safetech.ro

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zuzanna.kurek@cornerstone-comm.ro | 0742 431 111



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