

## Safetech Innovations posts a 76% increase in turnover and a 202% surge in net profit in the first six months of 2021

**Bucharest, 6 September 2021** – Safetech Innovations (BVB: SAFE), a Romanian cybersecurity company listed on the AeRO market of the Bucharest Stock Exchange, posts a turnover of 9.3 million lei in the first six months of 2021, a 76% increase compared to the same period last year and a net profit of 1.3 million lei, 202% more than in the first half of 2020.

*"The first half of the year was an excellent one for the cybersecurity sector in Romania and for Safetech Innovations. We gained new contracts while the recurrent contracts for CERT services brought significant liquidities as well as stability and predictability to our business. We have grown our client base as well as signed new contracts with existing clients. We are optimistic about the future as our position on the Romanian market is strong and Safetech Innovations is a reputable provider of cybersecurity services to both large multinationals as well as medium-sized entrepreneurial companies. Considering the results of the first six months are well beyond initial expectations, we decided to communicate to our shareholders revised estimates of turnover and profit for the entire 2021 year,"* stated Victor Gansac, CEO of Safetech Innovations.

The key reason behind the significant surge in turnover is related to the increase in demand for cybersecurity solutions and the recurring contracts that the company has signed with clients to monitor cybersecurity since the end of 2020. These are contracts with clients that are billed monthly and have an average duration of three years. Of the total turnover, approximately 55% was revenue from security services, while the remaining 45% included cybersecurity solutions, such as maintenance, support, and implementation of security solutions.

Due to the recorded performance in the first six months of the year, as well as the promising prospects for the rest of the year, Safetech Innovations has revised its budget for 2021. The company estimates a turnover of 23.5 million lei, an increase of 60% compared to the results in 2020, and a net profit of 5.7 million lei, +84% compared to the entire year 2020.

On August 26th, 2021 Safetech Innovations received the accreditation of Cybersecurity Auditor for the essential entities, based on Law 362/2018 on ensuring a high common level of security of networks and information systems from the National Centre of Response to Cybersecurity Incidents (CERT-RO). CERT-RO is the competent authority at the national level for the network and information systems security.

Following the receiving of the accreditation from CERT-RO, Safetech Innovations is among the few companies in Romania eligible to perform all types of cybersecurity security audits - special, common and general for essential service operators that have not fulfilled their obligation to perform a self-assessment of their security of network and information systems and to notify CERT-RO. Depending on the company's size, an audit takes at least 30 days, and aspects such as security governance, protection of networks and information systems, cyber defence, and resilience of services are verified. Safetech's management estimates that this new line of business, audit and information security risk assessments, will significantly increase the company's revenues in the future, some of which are already reflected in the revised budget for 2021.

The figures for the first six months of 2021 do not include the results generated by the UK or US subsidiaries, which the company intends to set up following the approval received from shareholders at the GSM in July 2021 and which will be operational as of 2022. To start international expansion by establishing subsidiaries abroad, Safetech will carry out the operation to increase the share capital in the autumn of this year. On September 1, 2021, the SAFER01 rights were already loaded to the investors'

accounts. In the next period, the company will submit the prospectus to increase the share capital to the relevant institutions. The company will use the amount raised to finance operations to set up Safetech subsidiaries in the United Kingdom and the United States. The two entities will promote and sell Safetech Innovations solutions and services on the foreign markets.

Safetech Innovations is listed on the AeRO market starting with January 29, 2021. The company has a market capitalization of over 230 million lei. Prior to the publication of the financial results for the first half of 2021, SAFE shares were traded at 14.84 lei/share.

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