

Safetech Innovations posts a 53% increase in turnover and a 153% surge in net profit in the first nine months of 2021

Bucharest, 8 November 2021 – Safetech Innovations (BVB: SAFE), a Romanian cybersecurity company listed on the AeRO market of the Bucharest Stock Exchange, posts a turnover of 13.1 million lei in the first nine months of 2021, a 53% increase compared to the same period last year and a net profit of 2.2 million lei, 153% more than in the first half of 2020.

"The first nine months of 2021 were dynamic. We have expanded our portfolio with 16 new clients since the beginning of the year, and we continued to gain more and more recurrent contracts with our existing clients. We are ready for a busy end of the year, which will bring historical results for Safetech: turnover of 23.5 million and a net profit of 5.7 million lei for the full year. In the past, the largest turnover and profit were always generated in the last quarter of each year, in line with the general cyclicality of the business in the IT sector. The premises are good, and we have already registered an uptake in demand in October 2021," stated Victor Gansac, CEO of Safetech Innovations.

In the first nine months of 2021, the demand for cybersecurity services provided by Safetech Innovations evolved in line with the previous quarters, with the most significant demand being for monitoring services, maintenance, and implementation of security solutions, as well as security audit and testing. Cybersecurity services contributed to 52% of the total turnover, cybersecurity solutions implementation with 47% while the sale of goods equalled 1% of the total turnover. The increase in the turnover was driven by contracts from existing clients and the sales generated to new clients and is primarily represented by the recurring contracts signed for an average duration of three years.

Safetech Innovations is in the process of expanding its geographical footprint and reaching out to new markets through different partnerships. The company is currently consolidating its services exposure in the US, the Middle East and North Africa, and Japanese markets. Regarding the US market, in September 2021, the company received the provider of cybersecurity services and solutions status for the US government agencies and contractors, being included in the SAM (System for Award Management) platform, owned, and operated by the Federal Government of the United States of America.

Also, in October, Safetech Innovations concluded a memorandum of understanding with a company in the United Arab Emirates. Thus, Safetech has the opportunity to operate in the Middle East & North Africa region – an environment with cybersecurity opportunities and challenges. Regarding Japan, in October, the company has engaged in discussions with a Japanese government-related organization that promotes mutually beneficial trade and investment relations to promote Safetech to Japanese companies. In the long term, the company intends to form even more partnerships like this to further increase the presence of Safetech services and solutions globally.

To further accelerate the expansion abroad, Safetech Innovations intends to raise approximately 10 million lei from BVB investors within the company's first capital increase since its listing on the AeRO market. In this regard, on 8 November, Safetech Innovations published the prospectus for the share capital increase. The capital raised from the share capital increase will be used to finance setting up the company's subsidiaries in the United Kingdom and the United States. The two entities will be responsible for promoting and selling Safetech Innovations solutions and services in foreign markets.

The share capital increase operation will take place in two stages. In the first stage of the process, the newly issued SAFE shares will be offered to investors at the price of 10.4171 lei/share. To purchase one new SAFE share at that price, investors will need 15,625 preference rights rounded to the nearest inferior

natural number. The trading period of the preference rights will run between 12 and 25 November 2021, while Stage 1 of the subscriptions will take place between 6 December 2021 and 5 January 2022. The unsubscribed shares will be offered in Stage 2 - private placement, which will occur between 19 January and 2 February, with an option of anticipated closing.

Starting with 29 January 2021, Safetech Innovations shares are listed on the AeRO market. The company has a market capitalization of over 210 million lei and as of 11 October 2021, SAFE shares are included in the BET-AeRO index developed by the Bucharest Stock Exchange for the AeRO market. Safetech Innovations holds the third largest weight in the index.

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