

## Safetech Innovations posts an operating revenue of 5.2 million lei and a net profit of 0.4 million lei in the first quarter of 2022

**Bucharest, May 23, 2022** - Safetech Innovations (BVB: SAFE), a Romanian cybersecurity company listed on the AeRO market of the Bucharest Stock Exchange, posts an operating revenue of 5.2 million lei in Q1 2022, a decrease of 20% compared to the same period last year, a turnover of 3.4 million lei, a reduction of 23% and a net profit of 0.4 million lei, an increase of 40% compared to Q1 2021. During this period, the company's primary business line sales of cybersecurity services increased by 61% compared to the first quarter of 2021.

*"In the first quarter of 2022, we had an intense activity, determined by numerous requests for cybersecurity services, our main business line. We are pleased that these services, with a high-profit margin, have seen a significant increase. Therefore, in Q1 2022, our profitability, the main financial indicator we are pursuing, appreciated significantly. Regarding the decline in turnover, this is not a concern for our shareholders as it is driven by declining sales of cybersecurity solutions, which have low profit margins. In the analyzed period, our clients have focused on cybersecurity services, especially to increase the level of protection, considering that the number of cyberattacks continues to be on an upward trend,"* stated Victor Gânsac, Chairman of the Board of Directors and CEO of Safetech Innovations.

In the first quarter of 2022, cybersecurity services contributed 74% to the company's total turnover, 2.5 million lei, compared to 36% in Q1 2021. The implementation of cybersecurity solutions contributed 26%, 0.9 million lei, compared to 63% in Q1 2021. At the same time, the decrease registered at the level of this business line was also affected by the extension of the delivery terms from the producers, from 30 to 90 days for the cybersecurity solutions, considering that they also have a hardware component. The extension of delivery times was due to delays in supply chains. In terms of sales of goods, they accounted for 0.1% of total turnover in Q1 2022.

Since the beginning of the year, Safetech Innovations has added six new clients to its portfolio, both from Romania and abroad. During this period, both new and recurring clients requested cybersecurity services to increase protection, identify vulnerabilities and risks, and conduct compliance assessments. The investments will be made following the development of security plan measures resulting from these activities. More and more clients invest in cybersecurity solutions based solely on an action plan.

Regarding the international expansion process, in Q1 2022, Safetech Innovations established the entity in the UK and is currently waiting to open the local bank account. Due to the sanctions imposed in the context of the war in Ukraine, the procedure for opening a bank account required complex checks on the parent company and the significant shareholders. The company has already selected four people to join this office at the operational level in Q2-Q3 2022.

Safetech is in the advanced process of setting up the local company for the US office and estimates that the procedures will be completed by the end of Q3 2022. For the Abu Dhabi entity, the procedures for setting up the company have also started, but the completion will take about three months. The company estimates that the company will be established in June or in July. As of June, Safetech will send a person to Abu Dhabi who will serve as deputy general manager and whose goal will be to make the company operational.

Safetech Innovations is listed on the AeRO market as of January 29, 2021. The company has a market capitalization of over 200 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)*