



To: *the Bucharest Stock Exchange*
the Romanian Financial Supervisory Authority

CURRENT REPORT 06/2023

Pursuant to Law no. 24/2017 on issuers of financial instruments and market operations and to the Romanian Financial Supervisory Authority Regulation no. 5/2018 on issuers and operations with securities, as subsequently amended and supplemented and the provisions of Article 99 of the Bucharest Stock Exchange Code, Title II, Issuers and Financial Instruments.

Date of report	23.02.2023
Name of the Company	Safetech Innovations S.A.
Registered Office	12-14 Frunzei Street, District 2, Bucharest
Phone	+40 31 860 21 01
Email	investors@safetech.ro
Registration nr. with Trade Registry	J40/3550/2011
Fiscal Code	28239696
Subscribed and paid share capital	13,300,000 lei
Total number of shares	66,500,000
Symbol	SAFE
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Standard Category

Important events to be reported: 2022 Preliminary Results

In 2022, Safetech Innovations recorded a turnover at individual level of 34.9 million lei, a 52% increase compared to 2021, the increase being determined by the investments made by the company over the approximately two and a half years since the closing of the private placement for SAFE shares, followed by the continued increase in demand for the company's cybersecurity services and solutions. Cybersecurity services, presented in the service provision category, contributed 43% to the total turnover in 2022, and the implementation of cybersecurity solutions, presented in the income from the sale of goods line, which includes both the value of goods sold and related value-added services, contributed 57%.

The revenue from the production of fixed assets increased by 38% in 2022, up to 12.9 million lei, these representing the investments in intangible assets made from European and the company's funds - the development of Safetech's product, which will be commissioned upon completion of the project, respectively June 2023. The EU-funded project is intended for the "Cybersecurity and Resilience of Critical Infrastructures Center of Excellence (SafePIC)" and aims to increase Safetech's CERT response capacity to cybersecurity attacks and incidents.

At the level of expenses, in 2022, expenses with raw materials and consumables had the most considerable contribution, increasing by 12% compared to 2021, up to 12.2 million lei. This

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increase was determined by the larger business size and represents the cost of the implemented solutions. The second significant cost is personnel expenses, which increased by 28% compared to 2021, reaching 10 million lei. As of December 31, 2022, the Company had 50 employees, compared to 47 employees at the end of 2021. Also, as part of its standard policy to remain a competitive employer, the Company continued to increase salaries throughout the year to retain the best talent. This aspect still impacts the personnel expenses.

Other operating expenses increased by 202% in 2022, up to 10.9 million lei. This category includes goods, third-party services, royalty expenses, management premises, rents, and postal and telecommunications taxes. The significant increase at the level of 2022 is represented by the category of goods (sales of solutions that did not include labor and which, according to accounting policies, were accounted for as goods).

The operating result in 2022 reached 11.7 million lei, a 65% increase compared to 2021 due to the larger scale of the business and the increased focus on higher-margin services. Financial expenses decreased by 4% compared to 2021, reaching 199K lei in 2022. At the same time, financial income increased by 1741% in 2022, up to 161K lei. Therefore, the gross result for 2022 was 11.6 million lei, a 69% increase compared to 2021. The profit tax increased to 1.4 million lei in 2022, a 67% increase, in line with the increase in the gross result. Therefore, the net result for 2022 was 10.2 million lei (0.19 lei per share), a 70% increase compared to 2021.

The preliminary results for 2022 also include the company's consolidated performance. These include the results generated by Safetech Innovations SA and Safetech Innovations Global Services Limited, the UK entity established in August 2022 in which Safetech Innovations holds a 67% stake. Thus, in 2022, the company recorded a turnover of 34.9 million lei and a net profit of 9.5 million lei at the consolidated level.

Investor Call

The conference call for presenting the unaudited preliminary financial results as of December 31st, 2022 will take place on March 6th, 2023, at 11:00 AM local time (EET). To participate in the 2022 preliminary results call, the interested parties are invited to contact the IR team at: investors@safetech.ro. Registered participants will receive, via e-mail, a confirmation with the log-in details a day prior to the call.

Report Availability

The preliminary financial results are available on the website of the company, www.safetech.ro, in the dedicated section "Investors" / "Financial Results", on the website of the Bucharest Stock Exchange, www.bvb.ro, symbol: SAFE, as well as are attached to this current report.

Victor GANSAC

CEO

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