



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

CURRENT REPORT 17/2024

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	13.05.2024
Name of the Company	Safetech Innovations S.A.
Registered Office	12-14 Frunzei Street, District 2, Bucharest
Phone	+40 754 908 742
Email	investors@safetech.ro
Registration nr. with Trade Registry	J40/3550/2011
Fiscal Code	28239696
Subscribed and paid share capital	13,616,540 lei
Total number of shares	68,082,700
Symbol	SAFE
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Standard Category

Important events to be reported: Q1 2024 financial results

At individual level, in the first three months of 2024 the Company's turnover amounted to 11.7 million lei, a 95% increase compared to the same period last year. In the first three months of the year, cybersecurity services contributed 30% to the total turnover and implementation of cybersecurity solutions contributed 70%. In Q1 2024, Safetech Innovations gained 12 new clients from the Romanian market.

Other operating revenues decreased by 19% in Q1 2024, up to 220K lei, the major share of these revenues representing subsidies for investments transferred into revenues and corresponding to the depreciation recorded for own solutions (non-reimbursable European funds project, completed in 2019).

In terms of expenses, in Q1 2024, the highest contribution was made by expenses with raw materials and consumables, which increased 75% compared to the same period last year and reached 5.3 million lei. This increase is driven by the larger size of the business and represents the cost of implemented solutions. The second major cost is represented by employee benefits expenses, which increased by 14% compared to Q1 2023, reaching 3.2 million lei. As of March 31, 2024, the Company had 61 employees, compared to 50 employees as of March 31, 2023.

Other operating expenses remained constant, increasing only by 1% in the first three months of this year, up to 1.2 million lei. This category includes goods, third-party services, royalty expenses, management premises and postal and telecommunications taxes.

SAFETECH INNOVATIONS S.A.

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Solde Identification Code: RO 28239696 • Trade Registry Registration Number: J40/3550/2011
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Depreciation and amortization decreased by 22% in Q1 2024, up to 525K lei and represents fixed assets, such as laptops, furniture, monitors, as well as a process automation solution acquired in 2021 as part of the EU research and development project necessary to carry out the activity to increase the competitiveness of the company. These elements generate expenses with monthly amortization, by amortizing them using the straight-line method.

The category of provisions, in the amount of 220K lei, represents the reiteration of provisions for holidays not taken in 2023.

At the individual level, the operating result in the first three months of 2024 reached 3.2 million lei, a 141% increase compared to the same period last year, due to the larger scale of business, revenues generated by contracts gained throughout 2023, and as a result of the increased focus on higher-margin services.

Financial expenses increased by 37% compared to the same period last year, reaching 49K lei. At the same time, financial revenues decreased by 86% in Q1 2024, up to 9K lei. Therefore, the gross result for the first quarter of 2024 was 3.2 million lei, a 132% increase compared to the first quarter of 2023. The income tax increased to 450K lei in the first three months of this year, a 111% increase, in line with the increase in gross profit. Therefore, the net result for the first quarter of this year was 2.7 million lei, a 136% increase compared to the same period last year.

At the consolidated level, in Q1 2024, the Company recorded a consolidated turnover of 11.9 million lei, an increase of 99% compared to the same period of 2023, in the first quarter of the year the UK entity generating revenues of approximately 200K lei.

Therefore, the consolidated gross result related to Q1 2024 was 1.8 million lei and the consolidated net result for the first quarter of 2024 was 1.4 million lei, an increase of 409% compared to the same period of 2023.

Report availability

The Q1 2024 unaudited individual and consolidated financial results of Safetech Innovations S.A. are available on the Company's website, www.safetech.ro, in the Investors section and on the issuer's profile on the website of the Bucharest Stock Exchange, www.bvb.ro. The results are also attached to this current report.

Investors call

The management will organize a conference call to present Q1 2024 financial results, on May 14th, at 14:00. To participate in the Q1 2024 results call, the interested parties are invited to register **HERE**.

Victor GANSAC

CEO

SAFETECH INNOVATIONS S.A.