



**SAFETECH**  
INNOVATIONS

2024

PRELIMINARY

FINANCIAL

RESULTS



Safetech Innovations S.A., company listed on the Main Segment of the Bucharest Stock Exchange, Standard Category

BVB: **SAFE**

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**Disclaimer:** The financial figures presented in the descriptive section of the report, expressed in million lei, are rounded to the nearest whole number and may lead to minor reconciliation differences.

# ISSUER INFORMATION

## INFORMATION ABOUT THIS FINANCIAL REPORT

Report type	2024 Preliminary Financial Report
For financial period	01.01.2024 – 31.12.2024
Report publishing date	24.02.2025

## ISSUER INFORMATION

Name	Safetech Innovations SA
Fiscal Code	28239696
Trade registry number	J2011003550405
Registered office	12-14 Frunzei street, District 2, Bucharest

## INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up capital	32,543,530.6 lei
Market on which the securities are traded	Bucharest Stock Exchange, Main Segment, Standard Category
Total number of shares	162,717,653 shares
Symbol	SAFE

## CONTACT DETAILS FOR INVESTORS

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The individual and consolidated preliminary financial statements presented in the below pages are prepared in accordance with the International Financial Reporting Standards, adopted by the European Union ("IFRS"). The preliminary financial statements as of December 31<sup>st</sup>, 2024 **are not audited.**

## MESSAGE FROM THE CEO

Dear Shareholders,

2024 has been a year of **adaptation and efficiency for Safetech Innovations**. In a complex economic and geopolitical environment, we remained focused on **process optimization, responsible cost management, particularly at our UK entity, and strengthening our position in Romania's cybersecurity market**. We carefully analyzed every strategic decision, implemented measures to streamline operations, and prioritized investments with a direct impact on financial performance. This sustained effort has enabled us to conclude 2024 with strong financial results, reflecting both the maturity of our business model and our team's ability to respond swiftly and effectively to the increasingly sophisticated demands of the market.



**Over the past year**, revenue from cybersecurity solutions sales grew by 32%, while revenue from service provision increased by 46%. These developments contributed to an increase in the profitability rate to 32%. As a result, in 2024, at **an individual level**, the company's total revenues reached **RON 59.8 million** (compared to a budgeted RON 57.1 million), marking a 28% increase compared to 2023. Of the total turnover of **RON 42.3 million** (+36% compared to 2023), cybersecurity services contributed 39%, while the implementation of cybersecurity solutions accounted for 61%.

In 2024, **we acquired 35 new clients** in the Romanian market. Thus, we ended the year with **an individual net profit of RON 13.5 million** (compared to a budgeted RON 13.8 million), representing **a 39% increase** from the previous year. This achievement is even more significant considering that our company has not benefited from any tax incentives, including income tax exemptions for employees engaged in research and development activities. **Furthermore, Safetech personnel have not benefited from IT sector tax breaks in previous years either, meaning that the amendments introduced by the so-called "little train" ordinance have no impact on our company from this perspective.**

Even though **we achieved our budgetary targets at an individual level**, the political uncertainty in Romania during the latter part of the year influenced some clients' decisions, leading to the postponement or cancellation of certain cybersecurity solution implementations. This context limited our ability to exceed the budgeted profit as initially estimated, impacting, in particular, our consolidated results.

**At a consolidated level**, which includes the results of our UK entity (Safetech UK), revenues reached **RON 60.4 million in 2024** (compared to a budgeted RON 64.8 million), while **net profit saw a remarkable increase of 189%**, reaching **RON 11.1 million** (compared to a RON budgeted 13.1 million), up from RON 3.8 million in the previous year. However, it is important to note that our UK subsidiary did not meet its set objectives due to a lower volume of solution sales. Nonetheless, **revenues generated from cybersecurity services remained consistent**, which, alongside internal reorganization and reductions in administrative and personnel expenses, provides us with a strong foundation for 2025. We estimate that total expenses in the UK will be

**approximately RON 2.16 million (GBP 360,000) annually**, and the contracts signed in 2024, along with those already secured this year, give us confidence that **the subsidiary will achieve financial independence** and will no longer generate losses.

In Saudi Arabia, where we completed the establishment of the local entity at the end of December 2024, **we expect to sign our first contracts by the end of the first semester of this year**. Our goal is for this subsidiary to achieve profitability by the end of 2025, given the growing interest of companies in the region for advanced cybersecurity solutions. The cybersecurity industry in Saudi Arabia saw significant growth in 2024, valued at approximately USD 5 billion, with projections indicating growth to around USD 7 billion by 2029. The rapid development of this sector is driven by a combination of government initiatives and substantial private sector investments aimed at strengthening digital infrastructure and enhancing cybersecurity resilience in critical industries such as energy, finance, and healthcare. These developments create a favorable environment for our local entity, providing us with the opportunity to position ourselves as a trusted partner and capitalize on the substantial potential of this market.

**In the United Arab Emirates (UAE)**, our activities in 2024 focused on capitalizing on cybersecurity opportunities, but the manner of conducting business in this country, as we have mentioned before, is significantly different from Europe, as the emphasis is solely on large projects. We would like to remind that this entity is not included in our consolidation. In 2024, the cybersecurity industry in the UAE saw significant developments, strengthened by major government initiatives. The UAE Cybersecurity Council developed three new policies, issued before the end of the year, focusing on cloud and data security, Internet of Things (IoT) security, and Cybersecurity Operations Centers (CSOC). These measures were aimed at strengthening the country's digital infrastructure and highlight the considerable potential of this cybersecurity market, offering significant opportunities for capable companies like Safetech to adapt to local requirements and participate in large-scale projects.

Regarding **the development potential of the cybersecurity industry**, Safetech Innovations remains in a privileged position to continue long-term growth, given the current dynamics of the cybersecurity market in Romania and worldwide. In Romania, according to the National Cybersecurity Directorate (DNSC), **there are between 25,000 and 50,000 cyberattacks registered daily**. The majority of these attacks are detected and neutralized thanks to the advanced security systems implemented by authorities and companies. However, on average, once every two to three months, an attack manages to cause a major incident. Despite the high number of attacks, **only 40% of companies in Romania are actively investing in cybersecurity**. This is particularly concerning given the extremely high risk of being targeted by a cyberattack, considering the increasing complexity and frequency of threats in the digital environment. This highlights the need for increased efforts in education and awareness, as well as greater involvement from authorities to encourage investments in digital protection.

The exponential growth in the number of cyberattacks calls for advanced protection solutions, **a demand that our company is well-positioned to meet through our accumulated expertise and diversified portfolio of services and products**. Additionally, the implementation of the NIS2 Directive and its transposition into national legislation through Emergency Ordinance no. 155/2024, establishing a framework for the cybersecurity of networks and information systems in the national civil cyberspace, requires local companies to proactively invest in cybersecurity. Safetech Innovations is positioning itself as a strategic ally in this transition.

Thus, for 2025, **we are confident toward new growth opportunities**, even though it is a year marked by political uncertainties both locally and internationally. We plan to increase both turnover and net profit at the individual and consolidated levels, driven by the operationalization of the Saudi Arabian company and the optimization of operations in the United Kingdom. In fact, **the recurring contracts signed so far exceed this year's estimated expenses by 20%**, providing us with a solid foundation for achieving our objectives.

Additionally, we continue to actively engage in projects funded by European and national funds, as part of national and international consortia, which allows us to innovate and expand our portfolio of solutions and services. Since 2024, we have been involved in five research projects funded by European or national funds, with a **total value of approximately RON 14 million**. In 2025, we will continue to closely monitor such projects available at both national and European levels, submitting our applications accordingly.

Last but not least, I would like to **thank you for the trust and support you have given us, standing by our side in this long-term growth journey**. We appreciate your loyalty, and in this context, we aim to **reward you as shareholders**.

Following the General Meeting of Shareholders (GMS) in April, we plan to hold another GMS in June, during which we will propose for approval **the distribution of a dividend of at least 0.02 lei per share from last year's profit**. Further details will be established depending on the decisions adopted during this GMS, based on the proposals made by the Company's Board of Directors. We will provide more information as soon as we have concrete details on this matter.

Furthermore, I invite you to read the following pages for more details about Safetech's performance in 2024. If you have any questions regarding our activity, whether related to business or our company's activity on the capital market, please do not hesitate to contact us at [investors@safetech.ro](mailto:investors@safetech.ro).

**Victor Gansac**  
**Chairman of the Board of Directors and CEO**

# Teleconference preliminary results 2024

24.02.2025 | 12:00



**Join the 2024 results conference call with Safetech Innovations management to discuss the performance in 2024. The teleconference will be hosted by Victor Gânsac (CEO) and Zuzanna Kurek (IR Manager).**

**The teleconference will be held in Romanian language and will take place at 12:00 PM, Bucharest time (11:00 AM CET | 10:00 AM UK). Register [HERE](#) to receive your ZOOM login details.**

## KEY INDICATORS 2024 (INDIVIDUAL)



### REVENUE

RON 59.8 MILLION

**+28** vs. 2023



### TURNOVER

RON 42.3 MILLION

**+36%** vs. 2023



### GROSS RESULT

RON 15.3 MILLION

**+39%** vs. 2023



### NET RESULT

RON 13.5 MILLION

**+39%** vs. 2023

# KEY INDICATORS 2024 (CONSOLIDATED)



## REVENUE

RON 60.4 MILLION

**+29%** vs. 2023



## TURNOVER

RON 42.9 MILLION

**+39%** vs. 2023



## GROSS RESULT

RON 12.9 MILLION

**+152%** vs. 2023



## NET RESULT

RON 11.1 MILLION

**+189%** vs. 2023

## ABOUT SAFETECH INNOVATIONS

Safetech Innovations S.A. ("Safetech") is a company with a unique profile on the Romanian market, characterized by its ability to deliver a full range of cybersecurity solutions and services. Safetech offers a *one-stop shop* capable of supporting organizations of any size to achieve and maintain the desired level of cyber resilience. Throughout its history, the company has specialized in integrating complex cybersecurity projects and securing critical infrastructures.

Safetech's mission is to provide its customers with the means and capabilities necessary to achieve and maintain their cybersecurity objectives. To fulfill its mission, the company uses products with state-of-the-art technology, with which it delivers to customers, from its security operations center, a comprehensive set of solutions and services. Safetech brings together human and artificial intelligence within its portfolio of comprehensive cyber security services, internationally accredited and developed based on proven methodologies in the field.

Safetech is consistently recognized, both locally and internationally, for its well-trained and certified staff, innovative research programs, and unique expertise and experience in solving the most complex cybersecurity problems. The main areas of expertise of the company are:

- Outsourcing the operations of monitoring and responding to cybersecurity incidents,
- Delivery and implementation of technical means and solutions for addressing cybersecurity risks,
- Implementation of organizational and technical controls to address information security risks and maintain the compliance with applicable security regulations,
- Securing critical IT and OT infrastructures (information technology and operational technologies),
- Training in cybersecurity,
- Security testing and auditing,
- Information security and risk management.

Safetech Innovations had 73 employees as of 31.12.2024, an increase of 22% compared to the same period last year (57 employees).

# KEY EVENTS IN 2024 AND AFTER THE CLOSING OF THE REPORTING PERIOD

## CONCLUSION OF A SIGNIFICANT CONTRACT

On **February 13, 2024**, the Company informed the market about the signing of a significant contract which value exceeded 10% of the total revenues related to the last annual financial statements, with the object of providing software products to ensure application-level protection mechanisms and the purchase of access services to threat intelligence sources, to secure the infrastructure, centrally managed software solution for application-level protection. The contract had a total value of 3,563,280 lei (without VAT) and was concluded for a period of 30 days from the date of conclusion of the contract.

## ESTABLISHMENT OF A SUBSIDIARY IN THE KINGDOM OF SAUDI ARABIA

On **March 11, 2024**, Safetech Innovations announced its investors regarding the establishment of a subsidiary in the Kingdom of Saudi Arabia, based in Riyadh. The Company owns 100% of the share capital of the established subsidiary, and the new entity will be managed by Mr. Victor Gânsac.

## OGMS&EGMS DATED 17.04.2024

On **March 12, 2024**, Safetech's Board of Directors decided to convene the Ordinary and Extraordinary General Meetings of the Company's Shareholders for **April 17, 2024**. The legal and statutory quorum related to the meetings was constituted at the first call.

The key points approved during the two meetings were:

- (i) Election of a new Board of Directors of the Company, consisting of Mr. Victor Gânsac, Mircea Varga and Alexandru Mihailciuc, for a mandate valid until 30.04.2026;
- (ii) Approval of the appointment of Baker Tilly Klitou and Partners S.R.L. as auditor of the Company, for a mandate valid until 30.04.2026;
- (iii) Approval of the Revenue and Expenditure Budget for the year 2024.
- (iv) Approval of the increase of the share capital by the amount of RON 316,540, from RON 13,300,000 to RON 13,616,540, through the issuance of 1,582,700 new shares with a nominal value of RON 0.2 per share, following the incorporation of RON 316,540 from the reserves related to the year 2022. The distribution of the newly issued shares will be made in the proportion of 0.0238 free share to 1 share held, the purpose of the increase being to issue available shares so that the Company can fulfill its obligations undertaken in the Stock Option Plan approved at the level of the Company.

## APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, CEO AND THE MEMBERS OF THE COMMITTEES

On **April 17, 2024**, Safetech Innovations informed its shareholders about the appointment of Mr. Victor Gânsac as Chairman of the Board of Directors, respectively CEO of the Company.

Through the same decision of the Board of Directors, the composition of the Risk and Audit Committee was decided, which will consist of Mircea Varga (Chairman) and Alexandru Mihailciuc (Member), as well as the Nomination and Remuneration Committee, consisting of Alexandru Mihailciuc (Chairman), respectively Mircea Varga (Member).



## **REGISTRATION WITH THE TRADE REGISTRY OF THE INCREASE IN SHARE CAPITAL**

On **April 25, 2024**, the Company informed the shareholders about the registration with the Trade Register of the share capital increase approved within the OGMS dated April 17, 2024.

Following the registration with the Trade Registry, the new subscribed and paid-up share capital of the Company is RON 13,616,540, divided into 68,082,700 ordinary shares with a nominal value of RON 0.2 per share.

The Certificate of Registration of Financial Instruments, through which the increase in the share capital mentioned above was registered, was issued by the Financial Supervisory Authority on **June 7, 2024**.

The information document on the distribution of free shares was published on **June 11, 2024** and is available [HERE](#).

The Central Depository registered the capital increase on **June 21, 2024**, according to the payment date established by means of the Decision of the Company's Board of Directors (available [HERE](#)).

## **CONCLUSION OF A SIGNIFICANT CONTRACT**

On **July 23, 2024**, the Company informed investors about winning the award of a significant contract, representing a research and development project, financed under the National Research, Development and Innovation Plan for the Period 2022 - 2027 (PNCDI IV).

The total value of the contract is 13,000,000 lei (non-refundable funds) out of which the budget assigned to the Company represents 7,000,000 lei (approximately 53% of the total value of the contract).

More information [HERE](#).

## **OGMS&EGMS DATED SEPTEMBER 18, 2024**

On **August 9, 2024**, the Company's Board of Directors decided to convene the Ordinary and Extraordinary General Meetings of the Company's Shareholders for **September 18, 2024**.

During the two meetings, the following events were approved: the use of the issue premiums resulting from previous increases in the share capital, as well as the reported result for the years 2020-2023, in order to increase the share capital, by granting bonus shares, in proportion to 1.39 bonus shares for every 1 share held on the date of registration.

The bonus shares will be granted on December 5, 2024, to shareholders who held SAFE shares on the registration date of December 4, 2024. The payment of the fractions of shares resulting from the increase in the share capital will be made on December 19, 2024.

More information [HERE](#).

## **SHARE CAPITAL INCREASE**

On **October 24, 2024**, the Company informed investors about the registration with the Trade Register of the share capital increase operation with bonus shares, approved by the Decision of the Extraordinary General Meeting of the Company's Shareholders, dated September 18, 2024. Following the registration at the Trade Register, the new subscribed and paid-up share capital of the Company is of 32,543,530.6 lei, divided into 162,717,653 ordinary shares with a nominal value of 0.2 lei per share. On **November 5, 2024**, the Company informed the shareholders about the issuance by the Financial Supervisory Authority of the Certificate of Registration of Financial Instruments for this operation.

More information [HERE](#) and [HERE](#).

#### **UPDATE OF NACE CODES**

On **January 29, 2025**, the management of Safetech Innovations informed investors that the Company updated its NACE codes, according to NACE Rev. 3 classification, in accordance with the obligations established through INS Order no. 377/2024. After the update, the main activity of the Company is: 6220 - Consulting activities in information technology and management (management and exploitation) of computing resources.

More information [HERE](#).

#### **SIGNING OF A NEW SERVICES CONTRACT**

On **February 10, 2025**, the Company informed the market about the signing on **February 7, 2025**, of a contract to provide response services to cyber security incidents. The contract was concluded for a period of 36 months from the date of its signing, having a total value of RON 2.5 million, excluding VAT.

More information [HERE](#).

# ANALYSIS OF THE FINANCIAL RESULTS

## INDIVIDUAL P&L ANALYSIS

In 2024, the turnover amounted to 42.3 million lei, a 36% increase compared to last year. During the year, cybersecurity services contributed 39% to the total turnover, and implementation of cybersecurity solutions contributed 61%. In 2024, Safetech Innovations gained 35 new clients from the Romanian market.

Other operating revenues decreased by 38% in 2024, up to 1 million lei, the significant 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).

Revenue from the production of fixed assets grew by 16% in 2024, up to 16.5 million lei. These represent investments in intangible assets made from European funds, national research funds, and the company's own resources for the development of Safetech's proprietary products.

In terms of expenses, in 2024, the highest contribution is represented by employee benefits expenses, which increased by 24% compared to the same period last year and reached 14.3 million lei. As of December 31<sup>st</sup>, 2024, the Company had 73 employees, compared to 57 employees as of December 31<sup>st</sup>, 2023. The second significant cost was represented by raw materials and consumables expenses, which increased by 93% compared to 2023, reaching 13.8 million lei. The larger size of the business drives this increase and represents the cost of implemented solutions.

Other operating expenses increased by 11% during the year, up to 4.8 million lei. This category includes third-party services, royalty expenses, management premises, rents, and postal and telecommunications taxes. The increase was driven by an increase in services performed by third parties. The costs of goods amounted to 8.6 million lei.

Depreciation and amortization increased by 6% in 2024, up to 2.57 million lei, and represent fixed assets, such as laptops, furniture, monitors, a process automation solution, as well as cybersecurity solutions. These elements generate expenses with monthly amortization by amortizing them using the straight-line method.

The category of provisions, in the amount of 54 thousand lei, represents the resumption of provisions for holidays not taken in 2023.

At the individual level, the operating result in 2024 reached 15.54 million lei, a 40% increase compared to the same period last year, due to the larger scale of business and the increased focus on higher-margin services.

Financial expenses increased by 25% compared to last year, reaching 281 thousand lei. At the same time, financial revenues decreased by 40% in 2024, up to 68 thousand lei. Therefore, the gross result for 2024 was 15.33 million lei, a 39% increase compared to 2023. The income tax increased to 1.8 million lei at the end of the year, a 42% increase, thus exceeding the increase in the gross result due to the fact that, starting from 2024, the reporting and calculation of the profit tax is carried out according to IFRS standards. Therefore, the net result for the year was 13.5 million lei, a 39% increase compared to 2023.

INDIVIDUAL PROFIT AND LOSS ACCOUNT STATEMENT (RON)	31.12.2024 Preliminary	31.12.2023 Audited	Δ %
Turnover	42,338,790	31,111,185	36%
Operating result	15,548,281	11,125,304	40%
Gross result	15,335,287	11,015,602	39%
<b>Net result</b>	<b>13,517,263</b>	<b>9,738,449</b>	<b>39%</b>

### INDIVIDUAL BALANCE SHEET ANALYSIS

As of December 31<sup>st</sup>, 2024, total assets reached 73.45 million lei, a 27% increase compared to the end of 2023, driven by a 40% increase in intangible assets, to 56.8 million lei. Fixed assets increased by 35% in 2024, reaching 63.1 million lei, as a result of the 40% increase in intangible assets put into operation and under construction. The increase in intangible assets is directly related to projects funded by European funds, national research funds, and the company's own resources. In accordance with the accounting legislation in force, these expenses are recorded as intangible assets in progress and represent the stage of realization of the company's own product.

The category of current assets consists primarily of receivables, which as of December 31<sup>st</sup>, 2024 reached 8.2 million lei, up 15% compared to December 31<sup>st</sup>, 2023. Trade receivables increased at the end of the year, as a result of new contracts that were delivered and invoiced in 2024 and have not yet reached payment date. These were in majority collected by the moment of publication of this report. Cash and cash equivalents reached 1,76 million lei as of December 31<sup>st</sup>, 2024, a 50% decrease compared to December 31<sup>st</sup>, 2023. This decrease is primarily due to the partial non-collection of amounts from funded projects, which will be collected during the first half of 2025.

As of December 31<sup>st</sup>, 2024, equity reached 48.26 million lei, a 38% increase compared to December 31<sup>st</sup>, 2023, due to the 145% increase in subscribed and paid-up capital, up to 32.5 million lei.

Non-current liabilities increased by 10% over the year, reaching 15.9 million lei. This increase was primarily driven by the increase in investment grants received, which rose by 13% as of December 31<sup>st</sup>, 2024, reaching 15 million lei. These grants are related to ongoing projects funded by non-reimbursable funds. As for leasing liabilities, they recorded a slight decrease as of December 31<sup>st</sup>, 2024, amounting to 862 thousand lei.

Current liabilities reached 9.3 million lei as December 31<sup>st</sup>, 2024, an increase of 11%, driven by an 68% increase in other current liabilities (which include employee salaries, VAT and payroll taxes and duties), up to 2.3 million lei. Trade and other payables, which reached 6.2 million lei, registered almost the same level compared to December 31<sup>st</sup>, 2023, the increase being just under 1%. Liabilities related to leasing contracts increased by 30% in 2024, reaching 398K lei.

In terms of provisions, they were 24% lower in 2024 compared to the previous year. This decrease was mainly due to their recognition as revenue, reflecting the value of unused paid leave from 2023.

INDIVIDUAL BALANCE SHEET (RON)	31.12.2024 P	31.12.2023 A	Δ %
Fixed assets	63,142,688	46,668,740	35%
Current assets	10,309,113	11,065,818	-7%
<b>Total assets</b>	<b>73,451,801</b>	<b>57,734,558</b>	<b>27%</b>
Equity	48,267,951	34,942,401	38%
Non-current liabilities	15,891,493	14,432,658	10%
Current liabilities	9,292,357	8,359,498	11%
<b>Total equity and liabilities</b>	<b>73,451,801</b>	<b>57,734,558</b>	<b>27%</b>

### CONSOLIDATED P&L ANALYSIS

The consolidated results for 2024 include the financial performance of Safetech Innovations S.A. and Safetech Innovations Global Services Limited ("Safetech UK"), an entity whose activity is carried out in Great Britain and in which Safetech Innovations S.A. holds a 67% stake.

In 2024, the Company recorded a consolidated turnover of 42.9 million lei, an increase of 38% compared to 2023, during the year the UK entity generating revenues of approximately 1.1 million lei.

In terms of expenses, the key differences versus individual results are the expenses with employee benefits, which increased by 6% in 2024, compared to 2023, reaching 16.5 million lei, with approximately 1.9 million lei representing the salaries at the subsidiary level. Expenses with raw materials and consumables increased in 2024 by 93% compared to last year, reaching 13.8 million lei. This increase is driven by the larger size of the business and represents the cost of the implemented solutions. Other operating expenses decreased by 7%, to 5.3 million lei. At the same time, the Company continued the implementation of the strategy to reduce expenses at the branch level.

Therefore, the consolidated gross result related to 2024 was 12.9 million lei, an increase of 152% compared to the previous year. Income tax increased by 42% to 1.8 million lei in 2024. Therefore, the net result for 2024 was 11 million lei, an increase of 189% compared to the previous year.

<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT STATEMENT (RON)</b>	<b>31.12.2024 P</b>	<b>31.12.2023 A</b>	<b>Δ %</b>
Turnover	42,877,384	31,126,916	38%
Operating result	13,116,041	5,302,476	147%
Gross result	12,891,121	5,107,728	152%
<b>Net result</b>	<b>11,073,097</b>	<b>3,830,575</b>	<b>189%</b>

#### CONSOLIDATED BALANCE SHEET ANALYSIS

On a consolidated level, on December 31<sup>st</sup>, 2024, fixed assets amounted to 59.4 million lei, an increase of 39% compared to December 31<sup>st</sup>, 2023, while current assets recorded a value of 10.6 million lei, a decrease of 14%. Current liabilities amounted to 18.9 million lei, an increase of 18%, and long-term liabilities had an increase of 10% compared to the end of 2023, with a value of 15.9 million lei. Equity reached 35.1 million lei, registering an 42% increase.

<b>BALANCE SHEET (LEI)</b>	<b>31.12.2024 P</b>	<b>31.12.2023 A</b>	<b>Δ %</b>
Fixed assets	59,439,444	42,875,783	39%
Current assets	10,586,208	12,273,316	-14%
<b>Total assets</b>	<b>70,025,652</b>	<b>55,149,100</b>	<b>27%</b>
Equity	35,186,931	24,750,467	42%
Non-current liabilities	15,932,225	14,432,657	10%
Current liabilities	18,906,497	15,965,975	18%
<b>Total equity and liabilities</b>	<b>70,025,652</b>	<b>55,149,100</b>	<b>27%</b>

## INDIVIDUAL PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (RON)	31.12.2024 P	31.12.2023 A	Δ %
<b>Turnover</b>	<b>42,338,790</b>	<b>31,111,185</b>	<b>36%</b>
Other operating income	1,002,366	1,620,906	-38%
Income from the production of fixed assets	16,493,121	14,159,375	16%
Raw materials and consumables used	(13,775,128)	(7,143,792)	93%
Merchandise	(8,579,255)	(9,959,197)	-14%
Employee benefits expenses	(14,341,064)	(11,536,210)	24%
Depreciation, amortization and Gw impairment	(2,570,727)	(2,415,067)	6%
Marketing and advertising expenses	(196,050)	(234,022)	-16%
Rental expenses	(29,192)	(5,871)	397%
Provisions	53,614	(121,322)	-
Other expenses	(4,848,194)	(4,350,681)	11%
<b>Operating result</b>	<b>15,548,281</b>	<b>11,125,304</b>	<b>40%</b>
Financial income	68,065	114,969	-41%
Financial expenses	(281,059)	(224,671)	25%
<b>Gross result</b>	<b>15,335,287</b>	<b>11,015,602</b>	<b>39%</b>
Income tax	(1,818,024)	(1,277,153)	42%
<b>Net result</b>	<b>13,517,263</b>	<b>9,738,449</b>	<b>39%</b>

## INDIVIDUAL BALANCE SHEET

BALANCE SHEET INDICATORS (LEI)	31.12.2024 P	31.12.2023 A	Δ %
<b>Non - current assets</b>			
Property, plant and equipment	585,440	555,451	5%
Right of use assets	1,101,180	1,253,788	-12%
Intangible assets	56,839,118	40,612,935	40%
Investments in related companies	4,103,981	3,912,041	5%
Other non - current assets	441,470	271,733	62%
Deferred tax assets	71,499	62,792	14%
<b>Total non-current assets</b>	<b>63,142,688</b>	<b>46,668,740</b>	<b>35%</b>
<b>Current assets</b>			
Inventories	276,982	400,699	-31%
Trade and other receivables	8,244,562	7,179,130	15%
Other current assets – loans	22,113	-	-
Cash and cash equivalents	1,765,456	3,485,989	-49%
<b>Total current assets</b>	<b>10,309,113</b>	<b>11,065,818</b>	<b>-7%</b>
<b>Total assets</b>	<b>73,451,801</b>	<b>57,734,558</b>	<b>27%</b>
<b>Equity and liabilities</b>			
Subscribed and paid-up capital	32,543,531	13,300,000	145%
Treasury shares	(191,711)	-	-
Share premium	-	2,865,991	-
Legal and other reserves	2,437,610	1,670,846	46%
Retained Earnings / (Losses)	13,478,521	17,105,564	-21%
<b>Total equity</b>	<b>48,267,951</b>	<b>34,942,401</b>	<b>38%</b>
<b>Non-current liabilities</b>			
Investment subsidies	15,029,290	13,350,207	13%
Liabilities related to leasing contracts	862,203	1,082,451	-20%
<b>Total non-current liabilities</b>	<b>15,891,493</b>	<b>14,432,658</b>	<b>10%</b>
<b>Current liabilities</b>			
Trade and other payables	6,188,500	6,145,283	1%
Corporate tax liabilities	246,036	324,866	-24%
Liabilities related to leasing contracts	398,871	307,068	30%
Other current liabilities	2,292,364	1,362,081	68%
Provisions	166,586	220,200	-24%
<b>Total current liabilities</b>	<b>9,292,357</b>	<b>8,359,498</b>	<b>11%</b>
<b>Total liabilities</b>	<b>25,183,850</b>	<b>22,792,156</b>	<b>10%</b>
<b>Total equity and liabilities</b>	<b>73,451,801</b>	<b>57,734,558</b>	<b>27%</b>

## KEY FINANCIAL RATIOS (INDIVIDUAL)

The main financial indicators are presented at the individual level.

### Current ratio as of 31.12.2024

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{10,309,113}{9,292,357} = 1.11$$

### Debt to equity ratio as of 31.12.2024

$$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100 = \frac{0}{48,267,951} \times 100 = 0\%$$

$$\frac{\text{Borrowed capital}}{\text{Employed capital}} \times 100 = \frac{0}{48,267,951} \times 100 = 0\%$$

*Borrowed capital = Credits over 1 year*

*Employed capital = Borrowed capital + Equity*

### Fixed assets turnover as of 31.12.2024

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \frac{42,338,790}{63,142,688} = 0.67$$

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (RON)	31.12.2024 P	31.12.2023 A	Δ %
Revenue from the sale of goods	28,065,812	21,335,932	32%
Provision of services	14,811,572	9,763,856	52%
Other income	-	27,127	-
<b>Turnover</b>	<b>42,877,384</b>	<b>31,126,916</b>	<b>38%</b>
Other operating revenues	1,003,618	1,629,436	-38%
Income from the production of fixed assets	16,493,121	14,159,375	16%
Raw materials and consumables	(13,775,128)	(7,143,792)	93%
Merchandise	(8,624,413)	(9,959,197)	-13%
Personnel expenses	(16,505,474)	(15,569,939)	6%
Depreciation and amortization	(2,698,569)	(2,424,900)	11%
Rental	(106,005)	(242,788)	-56%
Marketing and advertising expenses	(285,479)	(451,523)	-37%
Provisions	53,614	(121,322)	-
Other operating expenses	(5,316,629)	(5,699,790)	-7%
<b>Operating result</b>	<b>13,116,041</b>	<b>5,302,476</b>	<b>147%</b>
Financial income	99,031	170,105	-42%
Financial expenses	(323,951)	(364,853)	-11%
<b>Gross result</b>	<b>12,891,121</b>	<b>5,107,728</b>	<b>152%</b>
Income tax	(1,818,024)	(1,277,153)	42%
<b>Net result</b>	<b>11,073,097</b>	<b>3,830,575</b>	<b>189%</b>
<b>Attributable to:</b>			
Equity holders of the parent company	9,782,924	5,780,173	69%
Non-controlling interests	(1,290,173)	(1,949,599)	-34%

## CONSOLIDATED BALANCE SHEET

BALANCE SHEET INDICATORS (RON)	31.12.2024 P	31.12.2023 A	Δ %
<b>Fixed assets</b>			
Tangible assets	665,960	647,803	3%
Right of use assets	1,285,062	1,253,788	2%
Intangible assets	56,847,493	40,639,667	40%
Financial investments	127,960	-	-
Other non-current assets	441,470	271,733	62%
Deferred income tax	71,499	62,792	14%
<b>Total fixed assets</b>	<b>59,439,444</b>	<b>42,875,783</b>	<b>39%</b>
<b>Current assets</b>			
Inventories	276,982	400,699	-31%
Trade receivables and other receivables	8,333,201	7,230,151	15%
Other current financial assets	66,526	150,129	-56%
Cash and cash equivalents	1,909,499	4,492,337	-57%
<b>Total current assets</b>	<b>10,586,208</b>	<b>12,273,316</b>	<b>-14%</b>
<b>Total assets</b>	<b>70,025,652</b>	<b>55,149,100</b>	<b>27%</b>
<b>Equity and liabilities</b>			
Subscribed and paid-up capital	32,543,531	13,300,000	145%
Treasury shares	(191,711)	-	-
Share premium	-	2,865,991	-
Legal and other reserves	2,437,610	1,670,846	46%
Retained Earnings / (Losses)	5,032,885	9,768,321	-48%
Translation differences	(322,740)	(139,921)	131%
Non-controlling interests	(4,312,645)	(2,714,770)	59%
<b>Total equity</b>	<b>35,186,931</b>	<b>24,750,467</b>	<b>42%</b>
<b>Non-current liabilities</b>			
Subsidies for investments	15,029,290	13,350,207	13%
Liabilities related to leasing contracts	902,935	1,082,451	-17%
<b>Total non-current liabilities</b>	<b>15,932,225</b>	<b>14,432,657</b>	<b>10%</b>
<b>Current liabilities</b>			
Trade and other payables	6,244,290	6,183,930	1%
Corporate tax liabilities	246,036	324,866	-24%
Short-term borrowings	8,970,234	7,302,928	23%
Liabilities related to leasing contracts	553,917	307,068	80%
Other current liabilities	2,725,434	1,626,983	68%
Provisions	166,586	220,200	-24%
<b>Total current liabilities</b>	<b>18,906,497</b>	<b>15,965,975</b>	<b>18%</b>
<b>Total liabilities</b>	<b>34,838,722</b>	<b>30,398,633</b>	<b>15%</b>
<b>Total equity and liabilities</b>	<b>70,025,652</b>	<b>55,149,100</b>	<b>27%</b>

## KEY FINANCIAL RATIOS (CONSOLIDATED)

The main financial indicators are presented at the consolidated level.

### Current ratio as of 31.12.2024

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{10,586,208}{18,906,497} = 0.56$$

### Debt to equity ratio as of 31.12.2024

$$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100 = \frac{0}{35,186,931} \times 100 = 0\%$$

$$\frac{\text{Borrowed capital}}{\text{Employed capital}} \times 100 = \frac{0}{35,186,931} \times 100 = 0\%$$

*Borrowed capital = Credits over 1 year*  
*Employed capital = Borrowed capital + Equity*

### Fixed assets turnover as of 31,12,2024

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \frac{42,877,384}{59,439,444} = 0.72$$

# DECLARATION OF THE MANAGEMENT

Bucharest, February 24<sup>th</sup>, 2025

I confirm, according to the best of my knowledge, that the preliminary financial results for the 2024 financial year give a true and fair view of the assets, liabilities, financial position and profit and loss situation of Safetech Innovations SA and that the management report provides a true and fair view of the important events that took place in the 2024 financial year and their impact on the company's financial statements,

**Victor Gansac**

Chairman of the Board of Directors

