



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

CURRENT REPORT 40/2024

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	13.11.2024
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	32,543,530.6 lei
Total number of shares	162,717,653
Symbol	SAFE
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Standard Category

Important events to be reported: Q3 2024 financial results

At individual level, in the first nine months of 2024, the turnover amounted to 30 million lei, a 49% increase compared to the same period last year. In the first nine months of the year, cybersecurity services contributed 32% to the total turnover, and implementation of cybersecurity solutions contributed 68%. In Q3 2024, Safetech Innovations gained 9 new clients from the Romanian market.

Other operating revenues decreased by 49% in 9M 2024, up to 533 thousand 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).

In terms of expenses at the individual level, in 9M 2024, the highest contribution is represented by employee benefits expenses, which increased by 26% compared to the same period last year and reached 10.2 million lei. As of September 30, 2024, the Company had 67 employees, compared to 57 employees as of September 30, 2023. The second significant cost was represented by raw materials and consumables expenses, which increased by 110% compared to 9M 2023, reaching 9.3 million lei. The larger size of the business drives this increase and represents the cost of implemented solutions.

Other operating expenses at the individual level increased by 8% in the first nine months of this year, up to 3,4 million lei. This category includes third-party services, royalty expenses, management premises, rents, and postal and telecommunications taxes.

Depreciation and amortization at the individual level decreased by 5% in 9M 2024, up to 1.7 million lei, and represent fixed assets, such as laptops, furniture, and monitors, as well as a process automation solution acquired in 2021 as part of the EU research and development

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Solde Identification Code: RO 28239696 • Trade Registry Registration Number: J40/3550/2011

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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 at the individual level, in the amount of 220 thousand lei, represents the resumption of provisions for holidays not taken in 2023.

At the individual level, the operating result in the first nine months of 2024 reached 11.1 million lei, a 60% 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 at the individual level increased by 27% compared to last year's period, reaching 204 thousand lei. At the same time, financial revenues decreased by 53% in 9M 2024, up to 53 thousand lei. Therefore, the gross result for the first nine months of 2024 was 10.9 million lei, a 59% increase compared to the first nine months of 2023. The income tax increased to 1.6 million lei in the first nine months of this year, a 64% 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 first nine months of this year was 9.3 million lei, a 58% increase compared to the same period last year.

At the consolidated level, in 9M 2024, the Company recorded a consolidated turnover of 30.7 million lei, an increase of 53% compared to the same period of 2023, in the first nine months of the year the UK entity generating revenues of approximately 730K lei.

Therefore, the consolidated gross result related to 9M 2024 was 8.5 million lei, an increase of 255% compared to the previous year. Income tax increased by 64% to 1.6 million lei in 9M 2024. Therefore, the net result for the first nine months of 2024 was 7 million lei, an increase of 382% compared to the same period of 2023.

Report availability

The Q3 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 Q3 2024 financial results, on November 13th, at 12:00PM, local time. To participate in the Q3 2024 results call, the interested parties are invited to register **HERE**.

Victor GANSAC

CEO