



SAFETECH
INNOVATIONS

2024 BOARD OF DIRECTORS REPORT



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

BVB: **SAFE**

investors@safetech.ro
www.safetech.ro

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ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	Board of Directors Report 2024
For financial period	01.01.2024 – 31.12.2024
Report publishing date	24.03.2025
According to	Annex 15 of ASF Regulation 5/2018

ISSUER INFORMATION

Name	Safetech Innovations S.A.
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

Phone number	+40 754 908 742
E-mail	investors@safetech.ro
Website	www.safetech.ro

The individual and consolidated financial statements presented in the below pages are prepared in accordance with the International Financial Reporting Standards, adopted by the European Union ("IFRS"). The individual and consolidated financial statements as of December 31, 2024 **are audited**.

LETTER 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.

On a consolidated level, where the results of the UK entity (Safetech UK) are also included, revenues amounted to **60.4 million lei in 2024** (64.8 million lei budgeted), **and net profit recorded a remarkable increase of 189%**, reaching **11.1 million lei** (13.1 million lei budgeted), compared to 3.8 million lei in the previous year. In the United Kingdom, in 2024, we signed 11 new clients, with some of these contracts being recurring contracts (monitoring and testing). The UK subsidiary is making progress and is recognized as a trusted player in the market. Even though in 2024 it did not manage to achieve the ambitious objectives set, the **revenues generated from cybersecurity services were consistent**, which, along with the optimization of expenses and the personnel structure, provides us with solid (encouraging) premises for the year 2025. We estimate total expenses in the United Kingdom to be **approximately 2.16 million lei (360,000 pounds) annually**, and the contracts signed in 2024, along with those already concluded this year, give us confidence that **the subsidiary will become financially independent** in a mature market with

considerable potential. We continue to focus on the small and medium-sized client segment in the UK (and the USA), where the company has gained traction and where we have received positive reviews from reference clients.

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.

I invite you to read in the following pages more details about Safetech's performance in 2024. In case of any questions related to our activity, whether it is about the business or the company's activity on the capital market, please do not hesitate to contact us at investors@safetech.ro .

Victor Gansac

Chairman of the Board of Directors and CEO

2024 KEY INDICATORS (INDIVIDUAL)



REVENUES

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



2024 KEY INDICATORS (CONSOLIDATED)



REVENUES

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



The key indicators are presented at **consolidated level**.

ABOUT SAFETECH INNOVATIONS

BRIEF HISTORY

Safetech Innovations S.A. (the "Company", "the Issuer", "Safetech", "the Company") is a cybersecurity company from Romania, founded by certified information security experts with extensive proven experience in security projects for institutions and companies from all sectors. The Company was established as a limited liability company (S.R.L.) by Victor Gânsac, Paul Rusu, Teodor Lupan, and Adrian Vlada in 2011.

The main change in Safetech's business strategy occurred in 2016 when management decided to focus on value-added services instead of hardware sales, which in previous years contributed significantly to revenues but had a low profit margin.

In 2016, Safetech established its own Research and Development department using its own financial resources. Currently, the Company has a number of proprietary cybersecurity products under development or intended for development.

Prior to admission to trading on the multilateral trading system operated by the Bucharest Stock Exchange, the Company was transformed into a joint-stock company (S.A.), owned at that time by two shareholders, the co-founders of the Company, Victor Gânsac and Paul Rusu.

In October 2020, prior to admission to trading on the AeRO market operated by the Bucharest Stock Exchange, the Issuer successfully carried out a private placement, raising a total of RON 2.5 million from investors, after the offer was oversubscribed in 37 seconds, reaching a record subscription rate of 857%, respectively, the highest subscription rate of an offer carried out by a private company listed on the Bucharest Stock Exchange in the last six years, calculated at that respective time.

On January 29th, 2021, Safetech Innovations (SAFE) shares debuted on the AeRO market of the Bucharest Stock Exchange. On the first day of listing, shares worth RON 8.9 million were traded, and the price reached RON 24 per share, 500% higher than the price in the private placement.

On January 6th, 2022, the Company informed investors about the completion of the first stage of the share capital increase, carried out from December 6, 2021, to January 5, 2022. In this stage, investors subscribed 52.2% of the 1,000,000 available shares. Subsequently, on January 19, Safetech informed the market about the successful completion of the second stage of the share capital increase. The private placement carried out in the latter stage was closed in advance, on the first day, and given the high interest of investors, the shares were allocated to shareholders "pro-rata", with an allocation index of 0.6236827919.

On January 14th, 2022, the Extraordinary General Meeting of Shareholders took place, during which the shareholders voted in favor of establishing a new company, partially owned by Safetech Innovations S.A. as an associate, with a 49% stake in the share capital, aimed at expanding the company's activity abroad. The company SAFETECH CYBERSECURITY LIMITED CYBER RISK MANAGEMENT SERVICES L.L.C. has already been established as a limited liability company operating in accordance with the laws of the United Arab Emirates, with its headquarters in Abu Dhabi, United Arab Emirates, Istiqlal Street, Corniche View Tower\Invest Bank Building, 1st floor.

During the Extraordinary General Meeting held in April 2022, the shareholders approved the admission of Issuer's shares to trading on the regulated market of the Bucharest Stock Exchange.

On August 22nd, 2022, Safetech Innovations informed the market that, following the completion of all necessary formalities, SAFETECH INNOVATIONS GLOBAL SERVICES LIMITED, an entity owned 67% by the Company, with its headquarters in the United Kingdom, became operational.

In April 2023, the entity in the United States of America was established. and the activity to be operationalized once the UK entity will be self-financing through its own contracts.

In March 2024, the Company announced to investors about the opening of the subsidiary in the Kingdom of Saudi Arabia, in which Safetech Innovations owns 100% of the share capital.

As of December 31st, 2024, the Company's shareholder structure, according to the information available on the Bucharest Stock Exchange website, was as follows:

Shareholder	No. of shares	Percent
Victor Gansac	46,936,814	28.8456%
Paul Rusu	46,901,136	28.8236%
Natural Persons	65,011,370	39.9535%
Legal Persons	3,868,333	2.3773%
TOTAL	162,717,653	100%

Between 01.01.2024 - 31.12.2024, investors traded SAFE shares, with a total value of approximately RON 29 million (an average daily trading value of RON 114,133.9).

Starting with 06.02.2023, the Company's shares are traded on the Main Segment of the Bucharest Stock Exchange, Standard Category.

None of the subsidiaries of Safetech Innovations S.A. owns SAFE shares. The issuer has not issued bonds or debt securities.

DESCRIPTION OF THE ISSUER'S ACTIVITY

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.

CERTIFICATIONS

Safetech experts are certified in all areas of cyber security, including for critical infrastructures. In addition to the above, the company's research department has significant innovation potential, proven by its involvement in cybersecurity technology, high-tech and strategic projects developed under national and European research and development programs. The company employees have the following professional certifications:



Over the years, Safetech has received several international certifications, including:



Safetech Innovations has also been accredited as a Cybersecurity Auditor for essential service operators, based on the Law 362/2018 on ensuring a high common level of security of networks and information systems, by the National Cyber Security Incident Response Center (CERT-RO). CERT-RO is the competent national authority for network and information system security.

EXPERIENCE

Safetech has worked with over 15 local and international banks and financial institutions, key players in the energy and utilities sector, various ministries, hospitals and private companies. Examples of projects that the Safetech team has successfully implemented include:

- Risk assessment and implementation of various IT security solutions for a key player in the Romanian electricity distribution and supply market;
- Risk assessment, security monitoring and implementation of various cybersecurity solutions for the concessionaire of public water supply and sewerage services in a large European capital;
- Security testing for a national airline;
- Risk assessment for the largest Romanian candy producer;
- Security services and implementation of digital security solutions for several Romanian banks (Top 10);
- Implementation of IT security solutions for the national railway system;
- Implementation for the European Union Agency for Network and Information Security (ENISA) the project "Formalization of a standardized framework on appropriate security measures for small and medium-sized enterprises for the processing of personal data";
- Security tests for Arcelor Mittal (Luxembourg / Germany), Security Innovations (USA), World Customs Organization (Belgium).

COMPLETE PORTFOLIO OF SERVICES AND SOLUTIONS

Services:

- Penetration tests and source code audit
- Security consulting
- Development and implementation of security standards
- Security event monitoring (through STI CERT)
- Security incident detection and response (through STI CERT)
- Security audit
- Risk Analysis
- Vulnerability analysis
- Security program design and implementation
- Periodic scanning of vulnerabilities
- Automation of security configurations
- Services that ensure business continuity and data recovery in the event of a disaster
- Security courses

Solutions:

- Access management solutions
- Solutions for securing network infrastructure (Firewalls, IDS / IPS)
- Solutions for securing critical infrastructure
- Solutions for mobile device security
- Firewalls to protect web applications
- Web traffic filtering solutions
- IoT device security solutions
- Solutions for the security of medical devices
- Solutions for securing e-mail
- Solutions for collecting, analyzing and correlating security events
- Solutions for securing databases
- Solutions for scanning and managing vulnerabilities
- Workstation protection solutions
- Solutions to prevent data loss

RESEARCH & PROPRIETARY PRODUCTS

In 2016, Safetech set up its own Research and Development department, using its own financial resources. Currently, the Company has a number of proprietary cybersecurity products under development or that it intends to develop, which will bring new added value to customers. In addition, the Company operates a private emergency response team in Romania, called STI CERT - Computer Emergency Response Team (CERT) / Computer Security Incident Response Team (CSIRT), available to customers in the public and private sectors, which provides continuous monitoring cybersecurity threats and intervention in the event of security incidents. STI CERT is designed to support companies, institutions and organizations that want to be protected against cyber-attacks through continuous monitoring (24/7), prompt response and rapid recovery from cybersecurity incidents. STI CERT is accredited at European level by the Trusted Introducer and offers a 24/7 monitoring system, alerting, incident management and forensic research.

The company wants to further develop patented products. So far, Safetech has four such products in its portfolio, monetized both through subscription sales to clients and by optimizing operations through their use in service delivery:

iSAM - In March 2019, Safetech launched its first cybersecurity product - iSAM, Information Security Automation Manager. iSAM enables companies' information security managers to better manage cybersecurity within their organizations, automating certain processes, providing real-time updates on the level of cyber protection, and enabling early detection of cybersecurity threats. Safetech holds the certificate of registration in the National Register of Computer Programs for iSAM. The certificate was issued on 22.01.2020 by the Romanian Copyright Office.

The main features of the application developed by Safetech include:

- inventory of business processes and information systems;
- management of security policies and standards within the organization;
- continuous analysis and management of risks and vulnerabilities;
- security event and incident management.

The solution automates some of the activities of information security officers, but also helps organize security reports, gathering information from various departments, thus saving time, and aligning the practices used in a company. The platform also has the option to generate reports on the level of IT security within the organization almost instantly, as well as to provide tools for managing security and risk indicators.

The solution is mainly addressed to large companies in the financial-banking, health, transport, energy, utilities, as well as digital infrastructure sectors, ensuring compliance with the relevant IT security provisions applicable to these industries. iSAM helps companies comply with the following regulations currently applicable in Romania:

- Law 362/2018 on ensuring a high level of security of computer networks and systems;
- Norm 4/2018 of the Financial Supervisory Authority (FSA) on operational risk management;
- NBR Regulation 3/2018 on monitoring the financial market and infrastructure of payment instruments;
- General Regulation on the Protection of Personal Data (GDPR).

The capitalization of the project is done by two methods:

- Capitalization in the form of either a perpetual license or a subscription (annual service on premises - renewable annually) to the beneficiaries of the company.

- Capitalization in the form of streamlining the activity within the structure of the company type Security Operations Center - STI CERT, both in the daily activities of monitoring the security of the company's beneficiaries, and in the security testing and information security management services.

ToR-SIM (research project completed in 2020) - Utilization in the form of either a perpetual license or subscription (annual service on premises) to the integrated software platform for malware analysis of mobile terminals (Acronym: ToR-SIM). A software platform that seamlessly integrates malware analysis procedures for most existing devices on the market today, in order to enhance the security of terminals and networks, identify operational requirements and capabilities to develop and secure solutions for mobile devices and applications that to ensure, through a partnership between the responsible governmental factors, the academic and industrial environment, the increase of the efficiency of the cyber protection solutions. The platform is developed at the prototype level, validated by a single beneficiary (the one established by the research project, which accepted that the product was developed according to the project requirements). The development of the product at the level of commercial product will continue if the need is found in the market.

SafePic - Aims to increase the response capacity of STI-CERT to cybersecurity attacks and incidents, through automation and interoperability with similar structures at national and international level, but also organizational development by carrying out a set of actions to design and implement measures to improve the components of the management system (strategy, structure, information system, decision-making system, methodological system), designed to increase the performance and competitiveness of the organization.

SAFEcyberRange - The Cyber Range software platform, developed with in-house resources, is a platform that enables training in awareness, prevention, identification, classification, and counteraction of potential cyberattacks by providing viable and rapid solutions. At the same time, it offers a collaborative and competitive environment for training, testing, and disseminating information as a result of competitions held between various teams, according to the instructor's guidelines.

The platform can be installed at the beneficiaries' location on a dedicated physical server infrastructure, in a virtualized environment, or can be offered as a SaaS solution by SAFETECH INNOVATIONS SA.

The Cyber Range software platform primarily focuses on two use cases:

- (i) The creation and provision of a simulation environment for IT infrastructures in a controlled setting to achieve a high level of flexibility, scalability, isolation, and portability. The platform allows for the creation of virtual networks with operating systems, applications, and network devices that simulate real-world systems.
- (ii) The conduct of simultaneous training sessions in the form of cybersecurity games/competitions, complemented by an evaluation of participants. The platform enables instructors to create training scenarios, while trainees engage in training sessions through the simulated virtual environment provided by the platform

DIFERENTIATION FROM COMPETITION

- Founder, owner and operator of the Private Cyber Security Incident Response Center, STI CERT;
- Technical skills in all areas of information security;
- Expanded portfolio of innovative cybersecurity solutions;
- Expertise and reputation recognized by 100+ clients, 250+ successfully completed projects and cybersecurity services provided globally.

IMPACT ON THE ENVIRONMENT

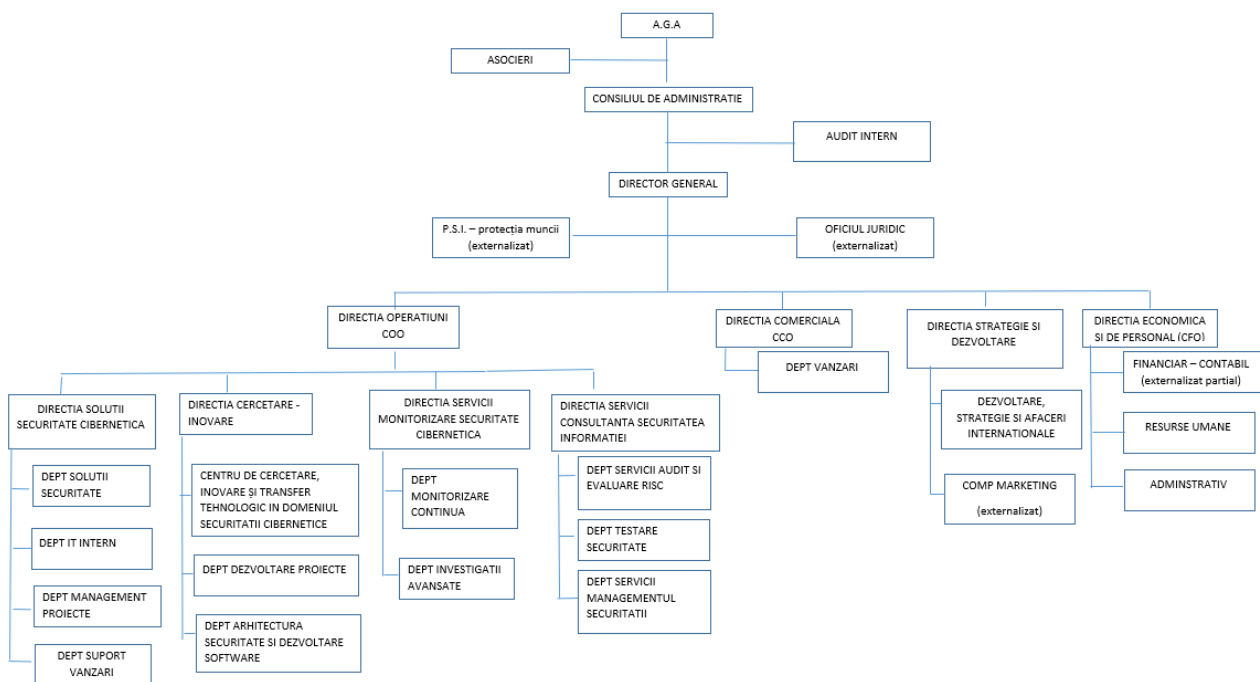
The activity of Safetech Innovations has no impact on the environment. There are no disputes, nor are there any anticipated disputes related to environmental aspects.

EMPLOYEES

Safetech Innovations had on December 31st, 2024, 73 full time employees, an increase of 16 new colleagues compared to the same period of the previous year. 88% of Safetech employees have higher (university) education. The division of employees into departments is as follows:

- Commercial Department: 9
- Strategy and Development Department: 1
- Department of Cybersecurity Solutions: 4
- Information Security Consultancy Services Department: 11
- Department of Cybersecurity Monitoring Services: 24
- Research - Innovation Department: 17
- Economic and Personnel Department: 4
- General Manager and Board of Directors: 3

Safetech Innovations organization chart looks as follows:



At the level of Safetech Innovations S.A. there is a collective labor agreement negotiated. The employees are not organized in the union. The collective labor contract was negotiated with an employee representative and is registered with ITM.

DIRECTORS AND EXECUTIVE MANAGEMENT

The company is managed by a Board of Directors, consisting of 3 members, appointed by the Ordinary General Meeting of Shareholders dated 17.04.2024:

- Victor Gansac;
- Alexandru-Florin Mihailciuc; and
- Mircea Varga;

Victor GANSAC – BoD Chairman and General Manager

Victor Gansac was appointed as a member of the Board of Directors through the OGMS Decision dated 17.04.2024 and also serves as the General Manager of the Company.

Ownership percentage: Victor Gansac is co-founder of Safetech Innovations and holds 28.8456% of the shares issued by the Company. Victor Gansac is not part of the SOP program approved at the level of the Company.

Remuneration: For the fiscal year ended on 31.12.2024, Mr. Victor Gansac, as Chairman of the Board of Directors and General Manager of the Company, received a gross remuneration of RON 252,000, as well as benefits in the amount of 955 lei, representing private clinic subscription.

Additional information, according to legal regulations:

- (i) At 31.12.2024, Victor Gansac held 20% of Safetech Intelligence S.R.L, a company without activity;
- (ii) For the past 5 years, Victor Gansac has not been banned by a court from serving as a member of the board of directors or supervisor of a company.
- (iii) In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy or special administration of some companies, of which Victor Gansac is a member of the board of directors or supervisor.
- (iv) Victor Gansac has no professional activity that competes with that of the Company and is not part of any agreement, understanding or family relationship with a third party due to which he would have been appointed administrator.

The Chairman of the Board of Directors carries out his activity based on a mandate contract, in accordance with the OGMS Decision date 17.04.2024.

Education:

- 2002: Engineer's Diploma / High education degree (Computer Systems Science) - Facultatea de Automatica și Calculatoare, Universitatea Politehnica, Bucharest;
- Certifications: CISSP (Certified Information Systems Security Professional), CSSLP (Certified Secure Software Lifecycle Professional), CISA (Certified Information Systems Auditor), CISM (Certified Information Security Manager), CIPT (Certified Information Privacy Technologist), and GICSP (Global Industrial Cyber Security Professional).

Professional experience:

- **18.04.2022 – present:** Chairman of the Board of Directors and General Manager of Safetech Innovations;
- **01.06.2011 – 18.04.2022:** Sole Director of Safetech Innovations;
- **01.01.2010 – 31.05.2011:** Manager of the Security Management Department within the Banking Security Department (Raiffeisen Bank);
- **01.05.2007 – 31.12.2009:** Security Strategy and Planning Coordinator within the Security Management Department (Raiffeisen Bank);
- **01.06.2002 – 30.04.2007:** Network Administrator (Raiffeisen Bank).

Alexandru-Florin MIHAILCIUC – Non-executive and independent member of the BoD

Alexandru-Florin Mihailciuc was appointed as a member of the Board of Directors through the OGMS Decision dated 17.04.2024.

Ownership percentage: On 31.12.2024, Mr. Mihailciuc held 154,303 shares of the Company. Mr. Mihailciuc was included in the second year of the Issuer's SOP program, being granted 31,000 shares in 2024, before the operation of share capital increase with bonus shares.

Remuneration: For the fiscal year ended on 31.12.2024, Mr. Mihailciuc, as member of the BoD, received a gross remuneration of RON 60,000, having no other benefits granted by the Company.

Additional information, according to legal regulations:

- (i) At 31.12.2024, Alexandru-Florin Mihailciuc held the position of Vice President, Sales Engineering, Customer Success & Renewals Lead EMEA at UiPath;
- (ii) For the past 5 years, Alexandru-Florin Mihailciuc has not been banned by a court from serving as a member of the board of directors or supervisor of a company.
- (iii) In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy or special administration of some companies, of which Alexandru-Florin Mihailciuc is a member of the board of directors or supervisor.
- (iv) Alexandru-Florin Mihailciuc has no professional activity that competes with that of the Company and is not part of any agreement, understanding or family relationship with a third party due to which he would have been appointed administrator.

Alexandru-Florin Mihailciuc carries out his activity based on a mandate contract, in accordance with the OGMS Decision date 17.04.2024.

Education:

- **2011:** Academia de Studii Economice, Bucharest – PhD (Environmental Economics);
- **2009:** Academia de Studii Economice, Bucharest – Master's Degree (Environmental Economics);
- **2008:** Universitatea Româno - Americană – Bachelor's Degree (European Integration Economics);
- **2007:** Academia de Studii Economice, Bucharest – Bachelor's Degree (Environmental Economics).

Professional experience:

- **Septembrie 2020 – present:** Vice President, Sales Engineering, Customer Success & Renewals Lead EMEA (UiPath);
- **2017 – 2020:** Vice President, Global Head of Sales Engineering (UiPath);
- **2015 – 2017:** Assistant Vice President, End User Computing & Customer Service Practice & Solutions Leader EMEA and LATAM regions (GENPACT);
- **2014 – 2015:** Senior Manager, Global Account Manager & EUC Practice and Solutions Lead EMEA (GENPACT);
- **2013 – 2014:** Senior Manager, Global Account Manager (GENPACT);
- **2013 – 2013:** Manager, Regional Program Manager (GENPACT);
- **2011 – 2013:** Project Manager (BPM Wave – Software Development and IBM official solutions integrator);
- **2009 – 2011:** Sales & Acquisition Manager (ALTO IMPEX– Dairy Industry);
- **2007 – 2009:** Management Trainee in IT Services (GENPACT);
- **2005 – 2007:** Part Time IT Analyst (Alpen Rose International – Petrochemical Industry).

Mircea VARGA – Non-executive and independent member of the BoD

Mircea Varga was appointed as a member of the Board of Directors through the OGMS Decision dated 17.04.2024.

Ownership percentage: On 31.12.2024, Mr. Varga held 71,700 shares of the Company. Mr. Varga was included in the second year of the Issuer's SOP program, being granted 31,000 shares in 2024, before the operation of share capital increase with bonus shares.

Remuneration: For the fiscal year ended on 31.12.2024, Mr. Varga, as member of the BoD, received a gross remuneration of RON 60,000, having no other benefits granted by the Company.

Additional information, according to legal regulations:

- (i) At 31.12.2024, Mircea Varga held the position of Chairman of the Board of Directors of Teilor Holding S.A., Director of Invest Intermed GF IFN S.R.L., Director of Teilor Invest Exchange S.R.L., Director of Perla Harghitei S.A., Director of Apemin Tusnad S.A. and director and Majority Shareholder of Strong Business S.R.L.;
- (ii) For the past 5 years, Mircea Varga has not been banned by a court from serving as a member of the board of directors or supervisor of a company.
- (iii) In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy or special administration of some companies, of which Mircea Varga is a member of the board of directors or supervisor.
- (iv) Mircea Varga has no professional activity that competes with that of the Company and is not part of any agreement, understanding or family relationship with a third party due to which he would have been appointed administrator.

Mircea Varga carries out his activity based on a mandate contract, in accordance with the OGMS Decision date 17.04.2024.

Education:

- **1999 – 2001:** Corps of Chartered Accountants and Chartered Accountants from Romania – Chartered Accountant and Chartered Accountant;
- **1996 - 1997:** Universitatea de Vest, Timisoara – Master's Degree (Business Analysis and Diagnosis);
- **1991 – 1996:** Universitatea de Vest, Timisoara – Bachelor's Degree (Construction, Transport and Telecommunications Management).

Professional experience:

- **2023 – present,** Board Member, Apemin Tusnad S.A.;
- **2023 – present,** Board Member, Perla Harghitei S.A.;
- **2022 – present,** Board Member, Safetech Innovation S.A.;
- **2022 – present,** Director, Invest Intermed GF IFN S.R.L.;
- **2022 – present,** Director, Teilor Invest Exchange S.R.L.;
- **2020 – present,** Board Member, Teilor Holding S.A. (currently chairman of the Board of Directors);
- **2020 – 2020,** Chairman of The Board, Smart Plantation S.R.L.;
- **2019 – 2020,** Board Member, Allianz-Tiriac Pensii Private S.A.;
- **2014 – 2020,** Chief Financial Officer and Member of the Board, Tiriac Group;
- **2014 – 2020,** Managing Shareholder, GlobeGround Romania S.A.;
- **2014 – 2020,** Managing Shareholder, Bucharest International Cargo Centre SA (BICC);
- **2014 – 2020,** Managing Shareholder, Meteor SA;

- **2014 – 2020**, Managing Shareholder, Universal SA;
- **2014 – 2014**, Chief Financial and Administrative Officer, EnergoBit Group;
- **2008 – 2014**, Chief Financial Officer and Board Member, Macon Group;
- **2006 – 2008**, Chief Financial and Country Holding Officer, Electrolux Romania S.A.;
- **2005 – 2006**, Chief Financial Officer, Euroholding Group;
- **2005 – 2006**, Executive Director European Drinks Group;
- **1996 – 2005**, Audit Manager, Resident Manager for Transylvania, Pricewaterhouse Coopers Romania.

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.

More information [HERE](#).

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.

More information [HERE](#).

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.

More information [HERE](#).

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).

More information [HERE](#).

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](#)

SIGNING OF A NEW SERVICES CONTRACT

On **March 10, 2025**, the Company informed the market about the signing of a significant contract whose value exceeds 10% of the total revenue reported in the latest annual financial statements. The contract is part of a research and development project within the Romanian Artificial Intelligence Hub – RAIH. The total value of the contract is 6,532,861.50 lei, of which 4,828,571.63 lei is non-reimbursable, and it has been concluded for a period of 36 months from the date of signing the financing contract.

More information [HERE](#)

CONVENING OF OGMS&EGMS DATED 24/25.04.2025

On **March 19, 2025**, the Company informed the market about the Board of Directors' decision to convene the Ordinary and Extraordinary General Meetings of Shareholders on April 24/25, 2025. The main items on the agenda include:

- (i) Approval of the financial statements for the year 2024 and the distribution of the recorded profit;
- (ii) Discharge of the Board of Directors for the financial year ended on December 31, 2024;
- (iii) Update of CAEN codes in accordance with Classification Rev. 3;
- (iv) Delegation to the Board of Directors of the authority to:
 - Modify the secondary object of activity,
 - Change the Company's registered office,
 - Establish secondary offices without legal personality.

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 31st, 2024, the Company had 73 employees, compared to 57 employees as of December 31st, 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)	2024	2023	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%
Net result	13,517,263	9,738,449	39%

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.

CONSOLIDATED PROFIT AND LOSS ACCOUNT STATEMENT (RON)	2024	2023	Δ %
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%
Net result	11,073,097	3,830,575	189%

BUSINESS & SALES STRATEGY

The goal of management is always targeted on profit, not revenue, and this can be achieved through an appropriate sales and marketing strategy that covers multiple sectors and markets. In 2024, given the demand of the markets but also of the legislative context, the business strategy is focused on increasing the number of new clients and implicitly the profitability.

Safetech's sales team applies the method of advisory sales, being the most appropriate method for the type of services and solutions that the Company offers. Each client/potential client is assigned a dedicated salesperson who together with the team of specialists, identifies and proposes solutions and services that cover the requirements formulated by the client. Thus, with each client won, there is a significant potential to increase the value of the services initially contracted. For example, security monitoring contracts usually come bundled with the governance, security risk and compliance service. For customers requesting security tests, additional services are usually recommended following the test result.

In support of sales efforts, the sales team benefits from the expertise of the Company's technical specialists who provide support in organizing free demonstrations of portfolio solutions through pilot implementations, to prove the ability to implement these solutions in the infrastructure of potential clients.

The 2024 marketing budget was built to support the activities of generating new opportunities using mainly digital channels such as websites, social networks, publishing articles in press. The most important activity is the organization of webinars, with a bi-monthly frequency, conducted with own resources or in collaboration with technology partners aimed at disseminating information on cybersecurity risks to which all types of organizations are exposed.

In order to achieve the objective of increasing the number of customers and profitability, the company has taken the first steps, including in terms of opening international sales channels.

All these activities are supported by software tools such as ERP, CRM, Marketing Automation, Resource Management, Team Collaboration, which began to be implemented in 2020 in order to integrate and automate business processes.

SIGNIFICANT CLIENTS

Client	Sector	Share
Client 1	Banking	20%
Client 2	Information Technology	18%
Client 3	Telecommunications	9%
Client 4	Utilities	6%
Client 5	Retail	4%

In 2024, the largest 5 clients of the company had a share of approximately 58% of total turnover. The concentration of revenues of certain selected customers can be explained by the fact that the market to which Safetech addresses is represented by medium or large companies. Top 5 clients are large companies in the financial-banking or utilities sector, companies with which Safetech has had strategic partnerships for years and have been running multi-annual contracts for at least 3 years. Under these contracts, Safetech delivers diversified packages of services and solutions. It is important to mention that, from a historical point of view, the first 5 customers have never remained the same but have changed every year. This is caused by a different level of needs each year, as well as the resale of other adhesion services.

The high concentration of revenues, but also of suppliers is specific to mature economies, as Romania is becoming, with quite concentrated markets and business verticals. In almost any business, the commercial results have a Pareto type distribution (80/20), which is natural. For example, if a business wants to sell specific or specialized services, this leads to a narrow, niche list of suppliers, in order to determine the concentration of human resources specialization on the niche segment in which it operates and thus the list of customers that contribute to the largest share of income is reduced. In practice for specialized activities, concentrated revenues come from multi-annual contracts, framework contracts that generate recurring revenues.

In conclusion, the above-mentioned percentages of 58% per client can indicate a risk only in theory, in practice they are natural, a consequence of the way the free market works. Risk reduction is achieved through business development activities that include prospecting, qualification and contracting new clients who, through loyalty strategies, become recurring sources of income. It is important to note that a company's need for cybersecurity services never ends - which means that the business model predicts that new customers will continually need cybersecurity services and for certain services and products, Safetech is among the few authorized suppliers on the local market.

MAIN OPERATIONAL INDICATORS

The main operational indicators with which the company measures the productivity and efficiency of the activity are: profitability, value productivity, the degree of customer satisfaction, the degree of employee satisfaction.

From the point of view of business strategy, it is important to emphasize that the share of individual business lines in total revenues may differ from year to year. This is due to the fact that Safetech Innovations team is flexible and adapts to the needs of the market, and always aims to be profitable. Given the legislative context and demand, individual services may have different profit margins each year. The objective of management is to always pursue profit rather than income and prioritize value-added projects with the highest profit margins.

	2020	2021	2022	2023	2024
Net profit margin	21%	27%	30%	31%	32%

It is important to note that Safetech's sales team is rewarded with a bonus from each sale. The bonus varies from 1% to 5% of the gross margin, with different value depending on the line of

business and the profitability of the contract. In this way, the Company ensures that the team is motivated to join and stay in the Company and to deliver significant projects.

The company's business model allows the successful resale of other member services. Each client has a dedicated account manager who, following the discussion with the technical team that solves the client's request, can identify new opportunities, and recommend additional products or services. Thus, with each customer won, there is a significant potential to increase the value of the services delivered. For example, security monitoring contracts usually come with the security governance service. For customers requesting penetration tests, additional services are usually recommended as a result of the test result.

For potential customers interested in Safetech solutions and services, free demonstrations of the operation of the solutions are provided, through pilot implementations at their headquarters, to prove the usefulness of their implementation.

To ensure employee satisfaction, each year the Company collaborates with an external consultant who conducts individual interviews with all employees and then reports the results, anonymously, to management. As a result of this measure, the Company carried out a reorganization completed in 2020, as part of the process of preparing the listing on the Bucharest Stock Exchange, to maximize the benefits offered by listing and offer investors a company with a well-defined corporate structure, capable to provide consistent profits.

INDIVIDUAL BALANCE SHEET ANALYSIS

As of December 31st, 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 31st, 2024 reached 8.2 million lei, up 15% compared to December 31st, 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 31st, 2024, a 50% decrease compared to December 31st, 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 31st, 2024, equity reached 48.26 million lei, a 38% increase compared to December 31st, 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 31st, 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 31st, 2024, amounting to 862 thousand lei.

Current liabilities reached 9.3 million lei as December 31st, 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 31st, 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	31.12.2023	Δ %
Fixed assets	63,142,688	46,668,740	35%
Current assets	10,309,113	11,065,818	-7%
Total assets	73,451,801	57,734,558	27%
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%
Total equity and liabilities	73,451,801	57,734,558	27%

CONSOLIDATED BALANCE SHEET ANALYSIS

On a consolidated level, on December 31st, 2024, fixed assets amounted to 59.4 million lei, an increase of 39% compared to December 31st, 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.

BALANCE SHEET (LEI)	31.12.2024	31.12.2023	Δ %
Fixed assets	59,439,444	42,875,783	39%
Current assets	10,586,208	12,273,316	-14%
Total assets	70,025,652	55,149,100	27%
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%
Total equity and liabilities	70,025,652	55,149,100	27%

ISSUER TANGIBLE ASSETS

To carry out daily activities, Safetech Innovations owns assets such as laptops, computers, mobile phones, multifunctional printers, as well as furniture items, located at the company's headquarters. The degree of wear and tear of the properties owned by the company does not raise significant problems on the activity. The IT equipment owned by the company has a degree of physical wear and tear specific to office activity - small. There are no ownership issues over the company's tangible assets.

DIVIDEND POLICY

The Board of Directors of the Company sets out the following relevant principles with respect to dividend policy:

- The Company recognizes the rights of shareholders to be remunerated in the form of dividends, as a form of participation in the net profits accumulated from the operation as well as an expression of the remuneration of the capital invested in the Company.
- As a growth company with significant development potential, the management of Safetech Innovations aims to achieve a balance between rewarding shareholders and maintaining access to the capital needed for development. Therefore, the Company proposes to shareholders that, depending on the investment needs each year, it will either grant a cash dividend or reward investors by granting shares free of charge, following the capitalization of a portion of the Company's net profits. The company is also considering the introduction of a hybrid model, in which part of the profits will be capitalized and shareholders will receive free shares of the company, while another part will be granted

through cash dividends, thus achieving a fair balance between allowing the company to develop, but also rewarding the shareholders.

- The proposal regarding the distribution of dividends, in the form of cash, free shares, or both, including the distribution rate, will be made by the Board of Directors of the Company through a current report or within financial statements. The decision on approving the distribution of dividends belongs to the General Meeting of Shareholders, in accordance with the applicable law.
- Any change in the company's dividend policy will be communicated to investors in a timely manner, through a current report sent to the market.

This policy will be reviewed by the Board of Directors whenever additional relevant information regarding the distribution of dividends occurs. This policy is published on the official website of the Company, [HERE](#).

In the last 3 years the company has given dividends to its shareholders. Details of how the profit was distributed are shown below:

- 2021 - 67.5% (4,156,250 lei) of the net profit for 2021 was distributed to shareholders in the form of cash dividends, representing a gross dividend per share of 0.25 lei;
- 2022 - 19% (1,995,000 lei) of the net profit for 2022 was distributed to shareholders in the form of cash dividends, representing a gross dividend per share of 0.03 lei
- 2023 – no dividends were distributed from the 2023 net profit.

PROFIT DISTRIBUTION PROPOSAL

For the profits of 2024, the management intends to distribute a dividend of at least 0.02 lei per share. The proposal will be submitted for a vote by the shareholders at an Ordinary General Meeting of Shareholders of the Company, which will take place after the OGMS scheduled for April.

BUY-BACK PROGRAM AND STOCK OPTION PLAN

On October 14, 2024, the Board of Directors acknowledged the fulfillment of all conditions stipulated for the second year of the SOP Plan and adopted a resolution approving the transfer of 662,848 shares held in the Company's treasury to the participants in the SOP Program for the financial year January 1, 2023 – December 31, 2023

As of the date of this report, the Company does not hold treasury shares, the treasury shares being fully allocated within the SOP program, at the end of 2024, according to the information published [HERE](#).

PERSPECTIVE ASPECTS REGARDING ISSUER'S ACTIVITY

Regarding the growth potential of the cybersecurity industry, Safetech Innovations remains in a strong position to continue its long-term expansion, considering the current dynamics of the cybersecurity market in Romania and globally.

The exponential increase in cyberattacks requires advanced protection solutions, a demand that Safetech Innovations is well-prepared to meet through its extensive expertise and diverse portfolio of services and products. Additionally, the implementation of the NIS2 directive and its transposition into national legislation through Emergency Ordinance no. 155/2024, which establishes a framework for the cybersecurity of networks and information systems within the national civil cyberspace, require local companies to proactively invest in cybersecurity. In this context, Safetech Innovations positions itself as a strategic ally in this transition.

Thus, for 2025, the Company's management is confident about new growth opportunities, despite a year marked by political uncertainties both locally and internationally. The Company plans to increase its revenue and net profit at both individual and consolidated levels, driven by the operational launch of its subsidiary in Saudi Arabia and the optimization of its operations in the United Kingdom.

Furthermore, Safetech Innovations continues to actively participate in projects funded by European grants within national and international consortia, enabling the Company to innovate and expand its portfolio of solutions and services.

The Revenue and Expense Budget for 2025, prepared by the Company's management, and which will be submitted for approval at the Annual Ordinary General Meeting of Shareholders on April 24, 2025 is available below:

2025 REVENUE AND EXPENDITURE BUDGET (RON)	CONSOLIDATED BUDGET	BUDGET RO	BUDGET UK	BUDGET SAUDI ARABIA
Total revenue	62,160,000	59,500,000	2,160,000	500,000
Turnover	48,010,000	45,350,000	2,160,000	500,000
Revenue from intangible assets	13,000,000	13,000,000	-	-
Other operating revenue	1,050,000	1,050,000	-	-
Financial revenues	100,000	100,000	-	-
Total expenses, of which:	45,810,000	43,200,000	2,160,000	450,000
Gross salary expenses	16,100,000	15,000,000	1,100,000	-
Expenses with materials	24,882,000	23,750,000	732,000	400,000
Financial expenses	340,000	250,000	40,000	50,000
Depreciation	4,488,000	4,200,000	288,000	-
Gross profit	16,350,000	16,300,000	0	50,000
Income tax	2,282,000	2,282,000	-	-
Net profit	14,068,000	14,018,000	0	50,000
EBITDA	20,838,000	20,500,000	288,000	50,000
<i>Personnel average number</i>	<i>73</i>	<i>75</i>	<i>2</i>	

RISKS

The risk related to scaling the business

The Issuer has recorded growth and increased demand for its products and services in recent years. As a result, the number of employees has increased significantly in recent years, and the Issuer expects it to continue this trend in the next year. For example, from the end of the fiscal year 2023 to the end of the fiscal year 2024, the number of employees increased by 16. In addition, as the Company developed, the number of end clients also increased significantly, and the Issuer managed more and more product and service systems implementations. The growth and expansion of the business, its products, services, and the level of support it provides to clients place significant pressure on the management, operational and financial resources. To effectively manage any future growth, the Issuer must continue to improve and expand its financial and information technology infrastructure, improve and expand its operational and systems infrastructure as well as operational control and administrative, and its capacity to manage assets, capital, and processes effectively, all of which may be more difficult to achieve as the Issuer's employees continue to work remotely.

The Issuer may not be able to successfully implement or scale improvements to its systems and processes efficiently or timely. In addition, existing systems and procedures may not be able to prevent or detect all errors, omissions, or fraud. The Issuer may also experience difficulties managing improvements to its systems and processes or in connection with software provided by third parties licensed to support the Issuer in connection with such modifications. Any future growth would add complexity to the Issuer's organization and require effective organization-wide coordination. Failure to effectively manage future growth could increase costs, disrupt existing relationships with end clients, reduce demand or limit the Issuer to smaller deployments of its products or harm its business performance and operating results.

Operating results may vary significantly from period to period and may be unpredictable

The Issuer's operating results may vary significantly from period to period and may be unpredictable, which could cause the market price of the Shares to decline. Although operating results, particularly revenues, gross margins, operating margins, and operating expenses, have shown increases in the prior period, they may vary as a result of several factors, many of which are beyond the control of the Issuer and may be difficult to predict, including:

- the Issuer's ability to attract and retain new end clients or to sell additional products and/or services to existing end clients;
- budget cycles, seasonal purchasing patterns, and purchasing practices of end clients, including the likelihood of a slowdown in technology spending due to the global economic slowdown;
- changes in the requirements of end clients, distributors or resellers, or market needs;
- price competition;
- the timing and success of the introduction of new products and services by the Issuer or its competitors or any other change in the competitive landscape of the industry in which the Issuer operates, including consolidation among its competitors or end clients and strategic changes, partnerships concluded by to and between the Issuer's competitors;
- the Issuer's ability to successfully and continuously expand its business nationally and internationally, particularly given the current global economic slowdown;

- changes in the growth rate of the cybersecurity industry;
- the Issuer's inability to complete or effectively integrate any acquisitions it may undertake;
- the increase in expenses or unforeseen liabilities and any impact on the operational results of the Issuer as a result of any acquisitions it makes;
- the ability of the Issuer to increase the scope and productivity of the distribution channel;
- decisions by potential end clients to purchase cybersecurity solutions from larger, internationally recognized security vendors or their primary network equipment vendors;
- the risk of insolvency or credit difficulties faced by end clients, which could increase due to the global economic situation, adversely affecting their ability to purchase or pay promptly or not at all for the Issuer's products and services, or the difficulties that the Issuer's key suppliers are facing, including its sole suppliers, which could disrupt the Issuer's supply chain;
- any disruption in the distribution channel or termination of the relationships that the Issuer has with important distribution partners, including due to the consolidation among distributors and resellers of cybersecurity solutions;
- the Issuer's inability to honor end client orders due to supply chain delays or events affecting the Issuer's suppliers and partners or their suppliers, which may be adversely affected by the effects of the global economic situation;
- the cost and results of potential litigation, which could have a significant adverse effect on the Issuer's business;
- seasonality or cyclical fluctuations of the market in which the Issuer operates;
- political, economic, and social instability caused by the military conflict initiated by the Russian Federation in Ukraine, the continuation of hostilities in the Middle East, terrorist activities, any disruptions caused by COVID-19 and/or any other pandemic or general health crisis that may occur and any disruption on what these events could cause in the global industrial economy; and
- the general macroeconomic conditions, both nationally and in the foreign markets where the Issuer is present, which could have an impact on some or all regions in which the Issuer operates, including the expected slowdown in global economic growth, the increased risk of inflation and the potential for global recession;

Any of the above factors or the cumulative effect of some of the above factors may result in significant fluctuations in the Issuer's financial and other operating results. This unpredictability could result in the Issuer's failure to meet its expectations regarding revenues, margins, or other operating results.

Continued global economic uncertainty may have an adverse effect on the Issuer's business and operating results

The Issuer operates in a globalized market, and therefore its business and revenues are interdependent on global macroeconomic conditions. International efforts to contain the spread of COVID-19 have significantly negatively affected global macroeconomic conditions, which continue to cause economic uncertainty. In addition, the military conflict generated by the Russian Federation in Ukraine, instability in global credit markets, rising prices of essential commodities (oil, electricity, etc.), changes in the domestic and international public policies, such as regulations, international taxes or trade agreements, international trade disputes, changes in

governments, geopolitical turmoil and other disruptions to global and regional economies and markets continue to add uncertainty to global economic conditions.

These adverse conditions could result in reductions in sales of the Issuer's products and services, longer sales cycles, reductions in the duration and value of contracts with the Issuer's clients, slower adoption of new technologies, and increased price competition. As a result, any continued or more significant uncertainty or deterioration in global macroeconomic and market conditions could cause end clients to change their spending priorities or delay purchasing decisions, which affect the lengthening sales cycles, any of which may harm the business and operational results of the Issuer.

The rate of revenue growth in recent periods may not be an indicator of the Issuer's future performance

The Issuer's revenue for any prior quarterly or annual period should not be considered an indication of its future revenue or revenue growth for any coming period. If the Issuer cannot maintain consistent revenue or revenue growth, its shares may experience high volatility, making it difficult for the Issuer to achieve and maintain profitability or maintain and/or increase cash flow consistently.

The Issuer faces intense competition in the market in which it operates and may not have sufficient financial or other resources to maintain or improve its competitive position

Many of the Issuer's existing competitors have, and some of its potential competitors may have, substantial competitive advantages such as:

- greater name recognition and a longer operating history;
- larger budgets and resources for sales and marketing;
- wider distribution and established relationships with distribution partners and end clients;
- more customer support resources;
- greater resources to make strategic acquisitions or enter into strategic partnerships;
- lower labor costs and new product and/or service development;
- newer and/or disruptive products and/or technologies;
- broader and more mature intellectual property portfolios; and/or
- much greater financial, technical, and other resources,

In addition, some of the Issuer's more prominent competitors have substantially broader and more diverse product and service offerings, which may make them less sensitive to slowdowns in a particular market and allow them to leverage their relationships based on other products or incorporate functionality into existing products to gain business in a way that discourages users from purchasing the Issuer's products and/or services, including by selling at zero or negative margins, offering concessions or bundling products. Many of the Issuer's smaller competitors, specializing in protecting a single type of security threat, can often bring these specialized security products to market faster than the Issuer.

Organizations using traditional products and services may find that these products and services are sufficient to meet their security needs or that the Issuer's offerings meet the needs of only a portion of the cybersecurity industry. Accordingly, these organizations may continue to allocate their information technology budgets to traditional products and services and may not adopt the

Issuer's products and services. Many organizations have invested substantial financial and personnel resources to design and operate their networks and have established deep relationships with other network and security product vendors. As a result, these organizations may prefer to purchase from their existing suppliers rather than add or switch to a new supplier, such as the Issuer, regardless of product performance or better features or service offerings. These organizations may also be willing to incrementally add solutions to their existing security infrastructure management solutions rather than replace them entirely with the Issuer's solutions.

Market conditions in which the Issuer operates could change rapidly and significantly due to technological advances, partnerships, or acquisitions carried out by the Issuer's competitors or the continued consolidation of the market. Start-up companies that innovate and major competitors of the Issuer that make significant investments in research and development may invent similar or superior products and technologies that compete with the Issuer's products and services. Some of the Issuer's competitors have made or may make acquisitions of companies, enabling them to directly offer more competitive and comprehensive solutions than they previously provided and to adapt more quickly to new technologies and new end-client needs. Current and potential competitors of the Issuer may also establish cooperative relationships with each other or third parties that may further enhance their resources.

These competitive pressures in the market in which the Issuer operates, or its failure to compete effectively, may result in price reductions, fewer orders, reduced revenues, gross margins, and loss of market share. Any failure to address and face these factors could seriously harm the business and its operating results.

A network or data security incident may allow unauthorized access to the Issuer's network or data, harm its reputation, create additional liability issues, and adversely impact financial results

Companies are subjected to a wide variety of attacks on their networks constantly, with increasing frequency. In addition to traditional attacks led by "hackers," malicious code (such as viruses and worms), phishing attempts, theft, or employee misuse, sophisticated actors engage in intrusions and attacks (including advanced persistent attacks) that increase risks to the Issuer's internal networks and client-facing environments, as well as the information they store and process.

The incidence of cybersecurity breaches has increased. Despite significant efforts to create security barriers to such threats, it is practically impossible for the Issuer to mitigate these risks entirely. The Issuer and third-party service providers may face security threats and attacks from various sources. The Issuer's data, corporate systems, third-party systems, and security measures may be breached due to actions of third parties, employee error, malicious act, a combination of these factors, or otherwise, and, as a result, an unauthorized party may gain access to the Issuer's data.

In addition, as an established provider of security solutions, the Issuer may be a more attractive target for such attacks. A breach in the security of the Issuer's data or an attack against the availability of its services or its service providers could affect the Issuer's networks or secure product networks and create interruptions or slowdowns in the systems and the exploitation of security vulnerabilities of the Issuer's products, as well as information stored on its networks or those of its service providers. This data could be accessed, publicly disclosed, altered, lost, or stolen, which could cause financial harm.

Although the Issuer has not yet suffered significant damage as a result of unauthorized access by a third party to its internal network, any actual or perceived breach of the security of the Issuer's systems or networks could result in damage to its reputation, negative publicity, loss of partners, clients, and sales, loss of competitive advantages over its competitors, increased costs of

remediating any problems and incident response, regulatory investigations and law enforcement actions, costly litigation, and other liabilities.

In addition, the Issuer may incur high costs and operational consequences to investigate, remediate, remove, and implement additional tools and devices designed to prevent actual or perceived security breaches and other security incidents, as well as compliance costs with any notification obligations arising from any security incident.

Any of these adverse effects may have a negative impact on the market perception of the Issuer's products and services, as well as on the confidence of end clients and investors in the Issuer. They could seriously affect its business or operating results.

Seasonality may cause fluctuations in the Issuer's revenue

The Issuer believes that important seasonal factors may cause the fourth fiscal quarter to record higher revenues than the fiscal year's first period. The Company believes that this seasonality results from several factors, including but not limited to the following:

- final clients whose fiscal year ends on December 31 and who choose to spend the remaining unused portions of their available budgets until the end of the fiscal year;
- seasonal reductions in commercial activity in July and August in the United States, Europe, and certain other regions, which could result in a negative impact on the Issuer's revenues; and
- the final client's budget planning at the beginning of the calendar year, which may lead to a delay in spending in the first part of the year, negatively impacting the Issuer's revenue in the first part of the fiscal year,

As the Issuer continues to develop, seasonal or cyclical variations in its operations may become more pronounced, and the Issuer's business, operating results, and financial position may be adversely affected.

If the Issuer fails to hire, integrate, train, retain, and incentivize qualified personnel and the Company's senior management, its business may suffer

The Issuer's future success depends, in part, on its ability to continue to hire, integrate, train, and retain qualified and highly skilled personnel. The Issuer is substantially dependent on the continued services of existing personnel, primarily due to the complexity of the Issuer's product and service offering. In addition, any failure to adequately hire, onboard, train and incentivize sales personnel, or the inability of newly hired sales personnel to effectively achieve targeted productivity levels, could adversely impact the growth and margin operations of the Issuer. Competition for highly qualified personnel, particularly in engineering, is often intense, especially in Bucharest, where the Issuer has a substantial presence and need for such personnel.

In addition, the industry in which the Issuer operates generally experiences high employee attrition. If the Issuer cannot hire, integrate, train, or retain the qualified and highly qualified personnel necessary to meet its current or future needs, its business, financial condition, and results of operations could be adversely affected.

The Issuer's future performance also depends on the continued services and contributions of the Issuer's management to execute the business plan and to identify and pursue new opportunities and product innovations. The loss of the services provided by these persons, the decrease in the efficiency of these services, or the ineffective management of any transition at the management level, could significantly delay or prevent the realization of the development plan, which could adversely affect the activity, financial situation and operational results of the Issuer.

Flaws, errors, or vulnerabilities in the Issuer's products and services, failure of the products or services it provides to block a virus or to prevent a security incident, misuse of the Issuer's products and services it offers or product and service liability claims may harm the Issuer's reputation and negatively impact operating results

Because the products and services that the Issuer sells and/or delivers are complex, they may contain design flaws or errors that are not detected until after they are released and implemented by end customers. End customers can report product and service defects related to performance, scalability, and compatibility. In addition, the flaws may make the products or services that the Issuer sells and/or delivers vulnerable to security attacks, may not contribute to the security of networks or may lead to the temporary interruption of end clients' network traffic. Because the techniques used by hackers to access or sabotage networks change frequently and are generally not recognized until launched against a target, the Issuer may not be able to anticipate these techniques and provide a real-time solution to protect end-client networks.

In addition, as an established cybersecurity provider, the Issuer's solutions, networks, and products could be targeted by attacks designed to disrupt its business and damage its reputation. Also, defects or errors in product updates or services delivered could cause those services to fail. The Issuer's data centers and networks may experience technical failures and downtime, fail to distribute appropriate updates, or fail to meet the increased demands of a growing installed base of end clients.

Moreover, the Issuer's products and services must coexist with end clients' existing infrastructure, which often has different specifications, use multiple protocol standards, implement products from numerous vendors, and contain multiple generations of products that have been added over time. As a result, when problems occur in a network, it can be challenging to identify the sources of those problems.

The occurrence of any such problem in the products and services that the Issuer sells and/or delivers, whether real or perceived, could result in the following:

- redirecting significant financial and product development resources to efforts to analyze, correct or eliminate errors and defects or to address and eliminate vulnerabilities;
- loss of existing or potential end clients or partners;
- delayed or lost revenue;
- delay or failure to obtain market acceptance of delivered products and services;
- an increase in warranty claims compared to historical experience or an increased cost of warranty claims, either of which adversely affects gross margins; and
- litigation or investigations, each of which could be costly or reputational,

The provisions regarding the limitation of liability in the standard terms and conditions of sale may not fully or effectively protect the Issuer from claims resulting from governmental laws or ordinances, local regulations, or adverse judicial decisions in Romania or other countries.

If the Issuer does not accurately anticipate, prepare for and promptly respond to technological and market developments and successfully manage the market introduction and transition to new products and services to meet the changing needs of end clients in the field of cybersecurity, the competitive position and its prospects will be affected

The cybersecurity field has grown rapidly and is expected to evolve rapidly. Moreover, most of the Issuer's clients operate in markets characterized by continuously changing technologies and

business plans, which require them to add numerous network access points and adapt their increasingly complex business networks, incorporating a variety of hardware, software, operating systems, and network protocols. For this reason, the Issuer must continuously adapt its products and/or services,

In addition, the Issuer must commit significant resources to develop new features and new ways of cloud, AI, and other security before knowing whether its investments will result in products and services that the market will accept. The success of new features depends on several factors, including properly defining the latest products, differentiating the new products, services, and features from those of the Issuer's competitors, and market acceptance of those products, services, and features. Moreover, the successful introduction and transition of new products depend on several factors, including the Issuer's ability to manage the risks associated with issues related to the acceleration of new product production, the availability of software applications for new products, the effective management of commitments purchasing and inventory, the availability of products in adequate quantities and costs to meet anticipated demand, and the risk that new products may have quality or other defects or deficiencies, particularly in the early stages of introduction.

The Issuer's current research and development efforts may not produce successful products or services that result in significant revenue, cost savings, or other benefits in the foreseeable future

The development of products and services related to the Issuer's activity is an expensive process. The Issuer's investments in research and development may not result in significant improvements, marketable products or services, or may result in products or services that are more expensive than anticipated. In addition, the Issuer may not realize the expected cost savings or performance improvements it had anticipated (it may take more time to generate revenue). The Issuer's plans include significant investments in research and development. The Issuer believes that it must continue to devote a substantial number of resources to its research and development efforts in order to maintain its competitive position. However, the Issuer may not experience significant revenue from these investments in the near future, or these investments may not yield the expected benefits, which could adversely affect its business and operating results.

LEGAL, REGULATORY, AND LITIGATION RISKS

Changes in tax laws or interpretations, as well as unfavorable decisions by tax authorities, may have a material adverse effect on the Issuer's results of operations and cash flows

Tax laws and regulations in Romania may be subject to change, and there may be changes in the interpretation and application of tax legislation. These changes in tax legislation and/or the interpretation and application of tax law may be rapidly adopted/applied by the authorities, challenging to anticipate. Therefore, the Issuer may not be prepared for these changes. As a result, it is possible that the Issuer may face increases in due taxes in the event of changes in tax rates or if tax laws or regulations are amended by the relevant authorities in a manner that disadvantages the Issuer, which may have a material adverse effect on the cash flows, business, prospects, results of operations and financial condition for any affected reporting period.

Risk associated with litigation

In the context of the performance of its activity, the Issuer is subject to a risk of litigation, among others, due to changes and developments in legislation. The Issuer may be affected by other contractual claims, complaints, and litigation, including from third parties with whom it has contractual relationships, clients, competitors, or regulatory authorities, as well as any adverse publicity that such an event attracts.

At the time of drawing up this report, the Issuer SAFETECH INNOVATIONS SA was not involved in any litigation in an active or passive procedural capacity.

RISKS RELATED TO INVESTMENTS IN ROMANIA

Political and military instability in the region may have negative consequences on the Issuer's business

The political and military instability in the region, determined by the invasion of Ukraine by the Russian Federation in February 2022, preceded by the loss of control over the Crimean Peninsula in favor of the Russian Federation and the conflict in Eastern Ukraine with pro-Russian separatists in 2014, as well as the international sanctions imposed on the Federation Russians as a result of these events, may cause deeply unfavorable economic conditions, social unrest or, in the worst case, extensive military confrontations in the region. The effects are largely unpredictable and may include a decline in investment, significant currency fluctuations, increases in interest rates, reduced availability of credit, trade, and capital flows, increases in energy prices, etc.

Also, the recent conflict in the Middle East, especially Israel, recognized as an international center for IT services and products, may further fuel global economic and trade uncertainties.

These effects, as well as other unforeseen adverse effects of crises in the region, may have significant negative consequences on the activity, prospects, results of operations, and financial position of the Issuer.

The upward trend of the inflation rate may produce significant negative consequences on the Issuer's financial performance

The unpredictability of the inflation rate can have adverse effects on the Issuer's activity by increasing the difficulty of the Issuer's estimation of the total costs related to the activities carried out by it and the creation of a potential mismatch between the prices charged by the Issuer concerning its clients and the Issuer's costs, with a significant adverse effect. An essential difference between the expected inflation rate in a certain period and the value actually recorded in that period can significantly negatively influence the way the Issuer's resources are allocated, thus influencing its activity, financial availability, prospects, and profitability.

Moreover, an unpredictable increase in the inflation rate can bring imbalances at the macroeconomic level, characterized by the increase in interest rates, the decrease in the standard of living, and, in general, the slowdown of the development of the economy in Romania, imbalances that can contribute to the decline in demand in the cybersecurity field.

A potential deterioration of the general economic, political, and social conditions in Romania may have adverse effects on the Issuer's activity

The Issuer's success is closely linked to the general economic developments in Romania. The adverse outcomes or the general weakening of the Romanian economy, the decrease in the standard of living, the limited liquidity resources of potential clients, and the increase in the unemployment level could have a direct negative impact on the demand in the cybersecurity market in Romania.

Romania has undergone far-reaching political, economic, and social changes in recent years. As expected, emerging markets do not possess the complete business infrastructure and legal and regulatory framework that generally exists in more mature free market economies. Also, Romania's tax legislation is subject to multiple, diverse interpretations and may undergo changes frequently and sometimes suddenly or too quickly implemented.

The future direction of Romania's economy remains largely dependent on the effectiveness of the economic, financial, and monetary measures adopted at the governmental level and on developments in the fiscal, legal, regulatory, and political fields. The unfavorable economic conditions in Romania, fiscal uncertainty, and increased taxation could ultimately have a direct and/or indirect negative impact on the prices charged for the Issuer's products and services.

The national currency (LEI) can be subject to high volatility

The national currency is subject to a variable exchange rate regime, whereby its value against foreign currencies is established on the interbank exchange market. The monetary policy of the NBR targets inflation. The variable exchange rate regime is aligned with the use of inflation targets as the nominal anchor of the monetary policy and allows for a flexible policy response to unforeseen shocks that might affect the economy. The NBR does not consider a specific level or range for the exchange rate. The NBR's ability to limit the volatility of the national currency depends on several economic and political factors, including the availability of foreign currency reserves and the volume of new foreign direct investment.

Any changes in global investors' perceptions of the international or Romania's economic prospects may lead to the depreciation of the Romanian currency. A significant devaluation of it may adversely affect the economic and financial situation of the country, which could have a substantial adverse effect on the Issuer's business, operating results, and financial condition.

INDIVIDUAL PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (RON)	2024	2023	Δ %
Turnover	42,338,790	31,111,185	36%
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%
Operating result	15,548,281	11,125,304	40%
Financial income	68,065	114,969	-41%
Financial expenses	(281,059)	(224,671)	25%
Gross result	15,335,287	11,015,602	39%
Income tax	(1,818,024)	(1,277,153)	42%
Net result	13,517,263	9,738,449	39%

INDIVIDUAL BALANCE SHEET

BALANCE SHEET INDICATORS (LEI)	31.12.2024	31.12.2023	Δ %
Non - current assets			
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%
Total non-current assets	63,142,688	46,668,740	35%
Current assets			
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%
Total current assets	10,309,113	11,065,818	-7%
Total assets	73,451,801	57,734,558	27%
Equity and liabilities			
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%
Total equity	48,267,951	34,942,401	38%
Non-current liabilities			
Investment subsidies	15,029,290	13,350,207	13%
Liabilities related to leasing contracts	862,203	1,082,451	-20%
Total non-current liabilities	15,891,493	14,432,658	10%
Current liabilities			
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%
Total current liabilities	9,292,357	8,359,498	11%
Total liabilities	25,183,850	22,792,156	10%
Total equity and liabilities	73,451,801	57,734,558	27%

INDIVIDUAL CASH-FLOW

	December 31, 2024	December 31, 2023
Cash flows from operating activities		
Profit before tax	15,335,287	11,015,603
Depreciation and amortization	2,180,711	2,207,475
Depreciation related to RUA	390,016	207,592
Revenues from capitalizations	(16,493,121)	(14,159,375)
Employees benefits	-	(147,747)
(Gain) / loss from impairment of receivables	-	(74)
Movements in provisions	(53,614)	121,322
(Gain) / loss on sale of property, plant and equipment	-	(338,402)
Interest revenues	(596)	(39,440)
Interest expenses	110,934	103,982
Operating profit before working capital changes	1,469,617	(1,029,065)
Change in inventories	123,717	(306,136)
Change in trade and other receivable	(1,023,807)	8,834,140
Change in trade and other payable	993,036	(2,725,056)
Change in deferred income tax	(8,707)	(20,990)
Cash generated from/ (used in) operations	18,046,977	18,912,269
Interest paid	(110,934)	(103,982)
Income tax paid	(1,905,561)	(1,487,877)
Payments related to internally produced fixed assets	16,493,121	14,159,375
Net cash from/ (used in) operating activities	16,030,482	17,320,410
Cash flows from investing activities		
Payments for long-term asset purchases	(169,737)	312,413
Purchases of intangibles	(18,207,225)	(14,686,658)
Purchase of property, plant and equipment	(172,562)	(896,098)
Interest received	596	39,440
Investments - company acquisition	(191,940)	-
Net cash used in investing activities	(18,740,868)	(15,230,903)
Cash used in financing activities		
Buy-back shares	(191,711)	-
Loans granted	(22,113)	-
Subsidies	1,679,083	261,913
Paid dividends	-	(1,979,875)
Payments of lease liabilities	(475,405)	(431,030)
Net cash from/ (used in) in financing activities	989,854	(2,148,992)
Net increase in cash and cash equivalents	(1,720,533)	(59,485)
Cash and cash equivalents at 1 January	3,485,989	3,545,474
Cash and cash equivalents at 31 December	1,765,456	3,485,989

CONSOLIDATED PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (RON)	2024	2023	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	-
Turnover	42,877,384	31,126,916	38%
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%
Operating result	13,116,041	5,302,476	147%
Financial income	99,031	170,105	-42%
Financial expenses	(323,951)	(364,853)	-11%
Gross result	12,891,121	5,107,728	152%
Income tax	(1,818,024)	(1,277,153)	42%
Net result	11,073,097	3,830,575	189%
Attributable to:			
Equity holders of the parent company	12,363,269	5,780,173	69%
Non-controlling interests	(1,290,173)	(1,949,599)	-34%

CONSOLIDATED BALANCE SHEET

BALANCE SHEET INDICATORS (RON)	31.12.2024	31.12.2023	Δ %
Fixed assets			
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%
Total fixed assets	59,439,444	42,875,783	39%
Current assets			
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%
Total current assets	10,586,208	12,273,316	-14%
Total assets	70,025,652	55,149,100	27%
Equity and liabilities			
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%
Total equity	35,186,931	24,750,467	42%
Non-current liabilities			
Subsidies for investments	15,029,290	13,350,207	13%
Liabilities related to leasing contracts	902,935	1,082,451	-17%
Total non-current liabilities	15,932,225	14,432,657	10%
Current liabilities			
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%
Total current liabilities	18,906,497	15,965,975	18%
Total liabilities	34,838,722	30,398,633	15%
Total equity and liabilities	70,025,652	55,149,100	27%



CONSOLIDATED CASH-FLOW

	December 31, 2024	December 31, 2023
Cash flows from operating activities		
Profit before tax	12,891,121	5,107,728
Depreciation and amortization	2,196,620	2,217,308
Depreciation related to RUA	501,949	207,592
Revenues from capitalizations	(16,493,121)	(14,159,375)
Employees benefits	-	(147,747)
Movement in the depreciation of trade receivables	-	(74)
Movements in provisions	(53,614)	121,322
(Gain) / loss on sale of property, plant and equipment	-	(338,402)
Translation difference	47,919	68,435
Interest revenues	(596)	(39,440)
Interest expenses	125,963	103,982
Operating profit before working capital changes	(783,740)	(6,858,672)
Change in inventories	123,717	(306,136)
Change in trade and other receivable	(1,103,050)	5,648,269
Change in trade and other payable	1,188,250	(2,763,020)
Change in deferred income tax	(8,707)	(20,990)
Cash generated from/ (used in) operations	(583,530)	(4,300,548)
Interest paid	(125,963)	(103,982)
Income tax paid	(1,905,561)	(1,487,877)
Payments related to internally produced fixed assets	16,493,121	14,159,375
Net cash from/ (used in) operating activities	13,878,067	8,266,968
Cash flows from investing activities		
Payments for long-term asset purchases	(169,737)	312,413
Purchases of intangibles	(18,214,656)	(14,705,242)
Purchase of property, plant and equipment	(172,562)	(959,545)
Investment payments – company acquisition	(127,960)	-
Interest received	596	39,440
Net cash used in investing activities	(18,684,319)	(15,312,934)
Cash used in financing activities		
Increase in share capital	-	-
Increase in share premium	-	-
Treasury shares	(191,711)	-
Increase in subsidies	1,679,083	261,913
Movements in loans and borrowings	1,319,419	7,302,928
Paid dividends	-	(1,979,875)
Payments of lease liabilities	(583,378)	(431,030)
Net cash from/ (used in) in financing activities	2,223,414	5,153,936
Net increase in cash and cash equivalents	(2,582,838)	(1,892,030)
Cash and cash equivalents at 1 January	4,492,337	6,384,367
Cash and cash equivalents at 31 December	1,909,499	4,492,337



BVB CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE ¹	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
Section A - Responsibilities				
A.1. All companies shall have Internal Rules for the Board of Directors (the “Board”), which shall include the terms of reference/responsibilities of the Board and the key management functions of the Company, and which shall apply, inter alia, the General Principles of this Section.	X			The company adopted a Regulation of the Board of Directors.
A.2. Provisions for the management of conflicts of interest shall be included in the Rules of the Board. In any event, Board members shall notify the Board of any conflicts of interest that have arisen or may arise and shall refrain from taking part in the discussions (including by non-attendance, unless the failure to attend prevents the establishment of the quorum) and from voting for passing a resolution on the issue giving rise to the relevant conflict of interest.	X			The Board members have, under the law, duties of care and loyalty to the Company, stipulated not only in the Articles of Association of the Company, but also in other internal regulations of the Company. Provisions for the management of conflicts of interest are included in the Regulation of the Board of Directors of Safetech Innovations.
A.3. The Board shall consist of at least 5 (five) members.			X	The Board of Directors consists of 3 (three) members elected by the Ordinary General Meeting of Shareholders (OGMS), in accordance with the provisions of the

¹ The Statement summarizes the principles of the Corporate Governance Code; the full version of the Code may be read on the website of the Bucharest Stock Exchange: www.bvb.ro.



				Companies Law and the Company's Articles of Association.
A.4. Most Board members shall not have an executive function, In the case of companies in the Premium Category, no less than two non-executive members of the Board shall be independent, Each independent Board member shall issue a statement at the time of nomination thereof for election or re-election, and whenever any change arises in the status thereof, indicating the elements on the basis of which the same is to be deemed independent in terms of character and judgment,	X			Two out of three members of the Board are non-executive and independent. On the occasion of each appointment of a member of the Board of Directors, the Company carries out an assessment of the independence of its members based on the independence criteria established in the Corporate Governance Code (which are essentially similar to those provided for in the Companies Law), consisting of an assessment individual assessment by the relevant Board member, followed by an external assessment.
A.5. Any other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions in the Board of companies and non-profit institutions, shall be disclosed to the shareholders and prospective investors prior to nomination and during the term of office thereof.	X			Information on the permanent professional commitments and obligations of the Board members, including executive and non-executive positions within companies and non-profit institutions, can be found in the CVs of the Board members, available at the Company headquarters and published of the Company's website.
A.6. Any member of the Board shall present the Board with information on any relation with a shareholder holding, either directly or indirectly, shares representing more than 5% of all voting rights.	X			The information is included in the annual reports issued by the Company.
A.7. The Company shall appoint a Secretary of the Board to be in charge of supporting the activity of the Board.	X			The Company has a General Secretary who supports the Board activities.
A.8. The Corporate Governance Statement shall stipulate whether a Board assessment has taken place under the direction of either the Chairperson or the Nomination Committee and, if so, shall summarize the key measures and the			X	In 2024, the Company had no policy and no guidance regarding Board evaluation. There was no formal Council self-assessment for 2024.

resulting changes. The Company shall have a policy/guide regarding Board assessment, including the purpose, criteria and frequency of the assessment process.				
A.9. The Corporate Governance Statement shall contain information on the number of Board and Committee meetings over the past year, the participation of the directors (in person and in default) and a Report by the Board and Committees on their activities.	X			The Board of Directors of Safetech Innovations shall meet whenever necessary, but at least once every three months. During 2024 there were 7 meetings of the Board of Directors (7 meetings with full attendance).
A.10. The Corporate Governance Statement shall include information on the exact number of independent members of the Board.	X			In 2024, two (2) members of the Board met all the independence criteria provided by the Safetech Innovations S.A. Corporate Governance Code.
Section B – The risk management and internal control system				
B.1. The Board shall set up an Audit Committee, in which at least one member shall be independent and non-executive. Most members, including the Chair, shall have proven appropriate qualification relevant to the functions and responsibilities of the Committee. At least one member of the Audit Committee shall have proven adequate experience in auditing or accounting. In the case of companies in the Premium Category, the Audit Committee shall consist of at least three members and most members of the Audit Committee shall be independent.	X			Safetech Innovations established the Risk and Audit Committee, starting with the listing on the Main Segment of the Bucharest Stock Exchange, respectively February 6, 2023. The committee consists of two non-executive and independent members, The members of the Risk and Audit Committee have proven appropriate qualifications, according to the internal rules established by the Company.
B.2. The Chair of the Audit Committee shall be an independent non-executive member.	X			The Chair of the Risk & Audit Committee is an independent non-executive member.
B.3. As part of its responsibilities, the Audit Committee shall carry out an annual assessment of the internal control system,	X			The Risk and Audit Committee conducts an annual evaluation of the Company's internal control system.



B.4. The assessment shall take into account the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board Audit Committee, the promptness and effectiveness with which the executive management addresses any deficiencies or weaknesses identified as a result of the internal control and the submission of relevant reports to the Board.	X			In the annual assessment, the Risk and Audit Committee assesses the effectiveness of this system, the adequacy of the risk management and internal control reports submitted to the Risk and Audit Committee, as well as the promptness and the effectiveness of management in addressing the deficiencies or weaknesses found in terms of internal control.
B.5. The Audit Committee shall assess any conflicts of interest in connection with the transactions of the Company and its subsidiaries with related parties.	X			The Risk and Audit Committee evaluates the effectiveness of the Group's risk management system, monitor the application of the statutory and generally accepted internal audit standards and will evaluate the situations of conflicts of interest within the transactions concluded by the Group and / or any of its subsidiaries with affiliated parties.
B.6. The Audit Committee shall assess the effectiveness of the internal control and risk management systems.	X			
B.7. The Audit Committee shall monitor the application of the legal standards and generally accepted internal audit standards. The Audit Committee shall receive and assess the reports of the internal audit team.	X			
B.8. Whenever the Code mentions reports or analyses initiated by the Audit Committee, these shall be followed by regular reports (at least annual reports) or ad hoc reports to be subsequently submitted to the Board.	X			The Risk and Audit Committee regularly presents the Board with reports on the specific issues that have been assigned to it.
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the Company with the shareholders and affiliates thereof.	X			The Company grants equal treatment to all its shareholders. Related party transactions are treated objectively, in accordance with the usual industry standards, and the applicable laws and corporate regulations.



B.10. The Board shall adopt a policy to ensure that any transaction of the Company with any of the companies with which it has close ties, whose value is equal to or greater than 5% of the Company net assets (according to the latest financial report), is approved by the Board following a binding opinion of the Board Audit Committee and is properly disclosed to the shareholders and prospective investors to the extent that such transactions fall within the category of events subject to reporting requirements.			X	The Board of Directors will adopt a policy in this regard.
B.11. Internal audits shall be performed by a structurally separate division (the Internal Audit Department) within the Company or by hiring an independent third party,	X			Starting from November 2022, the Company has the function of Internal Audit within its structure.
B.12. In order to ensure the fulfilment of the primary functions of the Internal Audit Department functionally speaking, it shall report to the Board by means of the Audit Committee. For administrative purposes and as part of the responsibilities of the management to monitor and reduce risks, it shall report directly to the Chief Executive Officer.	X			The Internal Audit reports to the Risk and Audit Committee.
Section C – Fair reward and motivation				
C.1. The Company shall publish the Remuneration Policy on its website and shall include a statement on the implementation of the Remuneration Policy in the Annual Report during the annual period under review. Any key change in the Remuneration Policy shall be published on the Company website in a	X			The Remuneration Policy of the Company is published on the Company's website and the Remuneration Report for 2022 is part of the Annual GSM documentation, subject to shareholder's approval.



timely manner.

Section D – Adding value by way of the investor relations

D.1. The Company shall organize an Investor Relations Service - indicating to the general public the officer(s) in charge or the relevant organizational unit. In addition to the information required by law, the Company shall include on its website a section dedicated to Investor Relations, in both Romanian and English, with all the relevant information of interest to investors, including:

- The main corporate regulations: Articles of Association, the procedures regarding the General Shareholders' Meetings (GSM);
- The professional CVs for the members of the Company management bodies, other professional commitments of the Board members, including executive and non-executive positions in the Boards of Directors of companies or non-profit institutions;
- Current and regular reports (quarterly, half-yearly and annual);
- Information on the General Shareholders' Meetings;
- Information on the corporate events;
- The name and contact details of a person who can provide relevant information, on request;
- Company presentations (e.g.,

X

All the information as specified by the D1 provision is provided on the Company's website.



investor presentations, quarterly result presentations, etc.), financial statements (quarterly, half-yearly, annual), Audit Reports, and Annual Reports.				
D.2. The Company shall have a policy on the annual distribution of dividends or other benefits to the shareholders. The principles of the policy of annual distribution to the shareholders shall be published on the Company website.	X			The Company's dividend policy is available on the Company's website in the Investor Relations section.
D.3. The Company shall adopt a policy regarding forecasts, whether they are made public or not. Forecasts mean quantified conclusions of various studies aimed at determining the overall impact of a number of factors for a future period (the so-called assumptions): by its nature, a forecast has a high level of uncertainty, and the actual results can vary significantly from the original forecasts. The Forecast Policy shall determine the frequency, period considered and content of the forecasts. If published, the forecasts may only be included in the annual, half- yearly or quarterly reports. The Forecast Policy shall be published on the Company website,	X			The forecasting policy is available on the Company's website in the Investor Relations section.
D.4. The rules of the General Shareholders' Meetings shall not limit the participation of shareholders in the general meetings or the exercise of their rights. Any amendments to these rules take effect, at the earliest, starting with the next Shareholders' Meeting.	X			Information on the organization of the General Shareholders' Meetings is mentioned in the Company's Articles of Incorporation, as well as the Corporate Governance Code, and are in line with provision D.4.



D.5. Independent financial auditors shall be present at the General Shareholders' Meeting when their reports are presented at these meetings.	X			The independent financial auditors participate in the Ordinary General Shareholders' Meetings where the individual and consolidated annual financial statements are subject to approval.
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.		X		The information about the internal controls and significant risk management system is provided in the Annual Report. Shall the question related to the internal control and significant risk management system be asked during the annual meeting, the question will be addressed by the Board.
D.7. Any specialist, consultant, expert, or financial analyst may take part in Shareholders' Meetings based on a prior invitation from the Chairperson of the Board. Accredited journalists may also attend General Shareholders' Meetings, unless otherwise decided by the Chairperson of the Board.	X			There is a possibility for any specialist, consultant, expert, financial analyst, or accredited journalist to participate in the GSM based on a prior invitation from the Chairman of the Board.
D.8. The quarterly and half-yearly financial reports shall include information in both Romanian and English on the key factors that influence change in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.	X			The quarterly and half-yearly financial reports include information in both Romanian and English on the key factors that cause changes in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.
D.9. A Company shall hold at least two meetings/teleconferences with analysts and investors each year. The information presented on these occasions shall be published in the Investor Relations section of the Company website at the time of the meetings/teleconferences.	X			Starting with 2024, Safetech Innovations holds four teleconferences in Romanian, related to each quarter. The recording of each of the conference calls is published on the BVB website, as well as on the Company's website.
D.10. If a Company supports various forms of artistic and cultural expression,	X			N/A

sporting, educational or scientific activities and deems their impact on the Company innovation and competitiveness to be part of its mission and development strategy, it will publish its policy on its activity in this field.				
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DECLARATION OF THE MANAGEMENT

Bucharest, March 24th, 2025

I confirm, according to the best of my knowledge, that the financial statements for the period between 01.01.2024 and 31.12.2024 provide a fair and consistent picture of the assets, liabilities, financial position and profit and loss account of Safetech Innovations S.A. and that the Board of Directors report provides a fair and realistic picture of the important events that took place in 2024 and their impact on the company's financial statements.

Victor Gânsac

Chairman of the Board of Directors of Safetech Innovations S.A.