

Softbinator Group posts 32.2 million revenue in 2023 and targets to increase its presence in the US in anticipation of an economic recovery

Bucharest, February 26, 2024 – Softbinator Technologies, a Romanian company that provides complete software product development services (product management, product design, software development, blockchain development, and product marketing), reports, at a consolidated level, a turnover of 32.2 million lei, approximately at the same level as in 2022 and a net loss of 5.2 million lei, compared to a net profit of 3.8 million lei in 2022. Softbinator Technologies' 2023 financial results are presented according to IFRS standards.

"2023 was a year of intense challenges for the IT industry, a year in which development projects stagnated or were even stopped, leading to the disappearance of many start-ups, and large corporations preferred to take fewer risks in getting involved in new projects. Despite a challenging environment, we continued to rely on our extensive entrepreneurial experience and commitment to innovation and adapted quickly. Thus, we have taken important steps such as group-wide restructuring, implementing more effective cost control, and strict client due diligence, and we aimed to attract clients with a high degree of solvency and software experience. These measures not only allowed us to remain relevant in a challenging year but also set the stage for the opportunities of 2024. After a volatile 2023, we are confident that today, over 90% of our revenue comes from the US, the market that recovers first and recovers the fastest. The intense economic missions in Silicon Valley, New York, and Florida in recent years clearly bring a competitive advantage, from which we are optimistic we will benefit. We already have big names from the global IT industry in our portfolio, and we target those stable companies that do not have operations in Romania but would like to rely on the talent here for innovation at the highest level. Drawing inspiration from the model of successful companies selling services in the USA, which benefit from the physical presence of the CEO in the proximity of the market and clients, I have decided to intensify my presence in the United States, planning to spend almost half of the 2024 there," stated Daniel Ilinca, founder and CEO of Softbinator Technologies.

The net loss recorded by the group was caused by an extremely difficult 2023 for the IT industry globally, a year in which the markets in the US and Europe went through a phenomenon of drastically reducing the appetite for development, with large companies preferring to massively optimize their related R&D costs, as well as by the late payment of some of the company's clients amid the technology crisis. At the same time, the company decided to write off the internally developed product, Softbinator Magic Stack (SMS), which is recognized as an accounting loss of 1.8 million lei at the profit level but does not affect the company's cash position.

The 2023 consolidated IFRS results include the performances of Softbinator Technologies, [es-pres-oh], Ixperi, and Digital Tailors. In 2023, Softbinator Technologies went through an extensive consolidation process of the acquired companies, which led to a series of restructurings, cost optimizations, and a unification of accounting policies at the group level.

At the individual level, according to IFRS, Softbinator Technologies recorded a turnover of 19.5 million lei, down 6% compared to 2022, and a net loss of 2.4 million lei, compared to a net profit of 2.5 million lei registered in 2022.

"The tough measures taken during 2023 were essential to restructure and optimize costs at the group level. We are confident that through these measures, we have built the foundation for predictable development in the coming years so that we can focus on growth and profitability. In addition, at the end of the year, the group had an extremely good cash position of approximately 4.2 million lei, compared to the first half of 2023, when this position was 0.9 million lei. At the same time, debt ratios at the consolidated level are decreasing, with non-current and current liabilities decreasing by 35% and 27%, respectively, in 2023," stated Răzvan Haratau, CFO of Softbinator Technologies.

In 2024, Softbinator Technologies will continue its economic missions in the US, considering that consistent results have begun to appear after constant interaction for about two years. By the end of 2024, the company aims to attract two to three well-known names to its client portfolio, through which it will be able to scale the activity in addition to existing clients.

Softbinator Technologies is listed on the AeRO market of the Bucharest Stock Exchange as of December 17, 2021, and is traded under the CODE symbol.

About Softbinator Technologies

Softbinator Technologies, a Romanian company with accelerated growth, provides full-stack product development services (product management, product design, software development, blockchain development, and product marketing) using cutting-edge technologies and helps companies to launch high-performance and easily scalable products in a shorter time. The company's services and products are used globally by startups, SMEs, unicorns, and Fortune 500 clients, with which they build versatile teams that use the Agile methodology. The organization's profile is oriented toward product development, valued for its ability to deliver results quickly. Softbinator Technologies has approximately 100 programmers and collaborators in its team in Bucharest, and Timisoara as well as in Cluj, Brasov, Constanta, Iasi. www.softbinator.com