

**SAF Tehnika JSC**  
**Remuneration Report**  
for the year ended  
June 30, 2024

**SAF TEHNIKA JSC**  
**REMUNERATION REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Introduction**

The remuneration report of the Board and Council of the joint stock company "SAF Tehnika" (hereinafter referred to as the Company) for the year ended June 30, 2024, has been prepared in accordance with the remuneration policy of the Board and Council, which was developed in accordance with the requirements of Section D Chapter III<sup>1</sup> of the Financial Instruments Market Law, which introduced Directive (EU) 2017/828 of the European Parliament and of the Council in the Republic of Latvia as regards the encouragement of long-term shareholder engagement.

The remuneration report has been drawn up by the Board of the Company. The remuneration report is checked by a sworn auditor and is reviewed and approved at the shareholders' meeting together with other components of the Company's annual report.

1. Remuneration of the Company's Board and Council members is based on the following basic principles:

1.1. Members of the Board and Council of the Company do not receive special remuneration for the performance of their duties as members of the Board or Council.

1.2. For members of the Board/Council who have an employment relationship with the Company in any other position, remuneration is included in the salary. The right to reclaim or defer compensation is not provided for. If a member of the Board/Council has an employment or other civil relationship with the Company, remuneration includes salary and other payments or benefits to a member of the Board/Council. The part of remuneration resulting from employment relationship or other civil relations may vary, for example, in case of granting bonuses, extras, health insurance, etc.

The determination of the management remuneration takes into account the professional skills of each member of the Board, the level of responsibility for the work process and resources, as well as the Company's overall financial indicators based on annual results, budget and sales forecasts, sales promotion.

The remuneration report includes information for the reporting year, as well as comparative information for the year ended on June 30, 2023, and for some information comparative data for the previous three years are provided.

The remuneration report for the reporting year ending on 30 June, 2023 was approved at the shareholder's meeting on 13 December 2023. The decision was adopted, with 1 923 951 votes "in favour", 0 votes "against", 0 votes "abstentions".

**Remuneration of members of the Board**

The fixed remuneration of the members of the Board includes the salary and change in accruals for unused vacations and may include other benefits and privileges not related to the performance of job duties or tasks, such as health insurance, private use of the Company's car or mobile communication device within certain limits, as well as subsistence (food) allowance in accordance with the concluded collective agreement, etc.

Variable remuneration may consist of the following costs in monetary form:

- annual bonuses based on the results of the previous reporting year of the Company;
- individual payouts for special achievements or events.

**Remuneration of members of the Council**

The fixed remuneration of the members of the Council includes the salary and change in accruals for unused vacations and may include other benefits and privileges not related to the performance of job duties or tasks, such as health insurance, private use of the Company's car or mobile communication device within certain limits, as well as subsistence (food) allowance in accordance with the concluded collective agreement, etc.

Members of the Council do not receive additional payments for work on the Audit Committee. Members of the Council who do not have an employment relationship with the Company do not receive special remuneration for performing the duties of members of the Council.

Term of office of the Council is from November 20, 2021 to November 20, 2024.

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Remuneration of members of the Board and Council and other benefits paid or payable for the financial year 2023/2024 is presented below:

| Name, Position  | Fixed Remuneration |                    |                | Variable Remuneration EUR | Total Remuneration EUR | Fixed / Variable Remuneration % |           |
|---|--------------------|--------------------|----------------|---------------------------|------------------------|---------------------------------|-----------|
|   | Salary EUR         | Other Benefits EUR | Total EUR      |                           |                        |                                 |           |
| <b>Normunds Bergs</b><br>Chairman of the Board  | 83 805             | 2 849              | 86 654         | -                         | 86 654                 | 100%                            | 0%        |
| <b>Didzis Liepkalns</b><br>Chief Technical Officer,<br>Member of the Board  | 52 902             | 1 369              | 54 271         | -                         | 54 271                 | 100%                            | 0%        |
| <b>Zane Jozepa</b><br>Head of Finance and Administrative<br>Department,<br>Member of the Board                        | 65 060             | 7 183              | 72 243         | -                         | 72 243                 | 100%                            | 0%        |
| <b>Jānis Bergs</b><br>Vice President of Sales and Marketing,<br>Member of the Board                                   | 2 644              | 600                | 3 244          | -                         | 3 244                  | 100%                            | 0%        |
| <b>Jānis Bergs</b><br>Vice President of Sales and Marketing,<br>Member of the Board<br>(another company of the Group) | 197 065            | 28 836             | 225 901        | -                         | 225 901                | 100%                            | 0%        |
| <b>Total Board remuneration</b>   | <b>401 476</b>     | <b>40 837</b>      | <b>442 313</b> | <b>-</b>                  | <b>442 313</b>         | <b>100%</b>                     | <b>0%</b> |
| <b>Juris Zieme</b><br>Head of Production,<br>Chairman of the Council  | 57 926             | 5 832              | 63 758         | -                         | 63 758                 | 100%                            | 0%        |
| <b>Andrejs Grišāns</b><br>Head of Production, Vice-Chairman of the Council  | 35 856             | 4 609              | 40 465         | -                         | 40 465                 | 100%                            | 0%        |
| <b>Aira Loite</b><br>Director of Digital Transformation, Member of the Council  | 57 794             | 1 136              | 58 930         | -                         | 58 930                 | 100%                            | 0%        |
| <b>Total Council remuneration</b>   | <b>151 576</b>     | <b>11 577</b>      | <b>163 153</b> | <b>-</b>                  | <b>163 153</b>         | <b>100%</b>                     | <b>0%</b> |

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| Name, Position  | Fixed Remuneration |                    |                | Variable Remuneration EUR | Total Remuneration EUR | Fixed / Variable Remuneration % |            |
|---|--------------------|--------------------|----------------|---------------------------|------------------------|---------------------------------|------------|
|   | Salary EUR         | Other Benefits EUR | Total EUR      |                           |                        |                                 |            |
| <b>Normunds Bergs</b><br>Chairman of the Board  | 85 420             | 4 095              | 89 515         | 23 590                    | 113 105                | 79%                             | 21%        |
| <b>Didzis Liepkalns</b><br>Chief Technical Officer,<br>Member of the Board  | 54 837             | 1 237              | 56 074         | 15 348                    | 71 422                 | 79%                             | 21%        |
| <b>Zane Jozepa</b><br>Head of Finance<br>and Administrative<br>Department,<br>Member of the Board                           | 67 656             | 7 427              | 75 083         | 19 460                    | 94 543                 | 79%                             | 21%        |
| <b>Jānis Bergs</b><br>Vice President of Sales<br>and Marketing,<br>Member of the Board                                      | 2 108              | 734                | 2 842          | -                         | 2 842                  | 100%                            | 0%         |
| <b>Jānis Bergs</b><br>Vice President of Sales<br>and Marketing,<br>Member of the Board<br>(another company of the<br>Group) | 178 353            | 26 869             | 205 222        | 164 797                   | 370 019                | 55%                             | 45%        |
| <b>Total Board remuneration</b>   | <b>388 374</b>     | <b>40 362</b>      | <b>428 736</b> | <b>223 195</b>            | <b>651 931</b>         | <b>66%</b>                      | <b>34%</b> |
| <b>Juris Zieme</b><br>Head of Production,<br>Chairman of the Council  | 62 227             | 6 631              | 68 858         | 17 605                    | 86 463                 | 80%                             | 20%        |
| <b>Andrejs Grišāns</b><br>Head of Production, Vice-<br>Chairman of the Council  | 44 081             | 4 552              | 48 633         | 12 752                    | 61 385                 | 79%                             | 21%        |
| <b>Aira Loite</b><br>Director of Digital Transfor-<br>mation, Member of the<br>Council                                      | 60 837             | 1 054              | 61 891         | 16 583                    | 78 474                 | 79%                             | 21%        |
| <b>Total Council remuneration</b>   | <b>167 145</b>     | <b>12 237</b>      | <b>179 382</b> | <b>46 940</b>             | <b>226 322</b>         | <b>79%</b>                      | <b>21%</b> |

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**Average remuneration of full-time employees (excluding members of the Board and Council)**

|                                   | <b>2023/2024</b> | <b>2022/2023</b> | <b>2021/2022</b> | <b>2020/2021</b> |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | <b>EUR</b>       | <b>EUR</b>       | <b>EUR</b>       | <b>EUR</b>       |
| Salary                            | 6 465 968        | 7 441 444        | 6 043 483        | 4 906 009        |
| Average number of employees       | 211              | 205              | 184              | 179              |
| Average remuneration per employee | <b>30 693</b>    | <b>36 344</b>    | <b>32 185</b>    | <b>27 433</b>    |

Salary is presented by the accrual method.

**Management remuneration**

|  | <b>2023/2024</b> | <b>2022/2023</b> | <b>2021/2022</b> | <b>2020/2021</b> |
|--|------------------|------------------|------------------|------------------|
|  | <b>EUR</b>       | <b>EUR</b>       | <b>EUR</b>       | <b>EUR</b>       |
| Fixed remuneration of members of the Council                 | 163 153          | 179 382          | 165 800          | 98 574           |
| Variable remuneration of Members of the Council              | -                | 46 940           | 43 766           | 26 302           |
| <b>Total remuneration of members of the Council</b>          | <b>163 153</b>   | <b>226 322</b>   | <b>209 566</b>   | <b>124 876</b>   |
| Fixed remuneration of members of the Management Board        | 442 313          | 428 736          | 385 905          | 306 955          |
| Variable remuneration of members of the Management Board     | -                | 223 195          | 334 231          | 651 661          |
| <b>Total remuneration of members of the Management Board</b> | <b>442 313</b>   | <b>651 931</b>   | <b>720 136</b>   | <b>958 616</b>   |

**Performance results**

|                                       | <b>2023/2024</b> | <b>2022/2023</b> | <b>2021/2022</b> | <b>2020/2021</b> |
|---------------------------------------|------------------|------------------|------------------|------------------|
|                                       | <b>EUR</b>       | <b>EUR</b>       | <b>EUR</b>       | <b>EUR</b>       |
| Revenue from contracts with customers | 23 258 653       | 32 040 313       | 29 135 280       | 20 983 223       |
| Profit/(loss) before tax              | (1 339 282)      | 3 622 335        | 5 803 336        | 3 176 647        |
| Profit/(loss) of the reporting year   | (1 339 282)      | 3 117 404        | 5 754 239        | 3 176 647        |

Please see other performance results in the respective year's annual report.

**Number of shares and share options granted and offered and the main conditions for the use of options, including the price and date of their use, and their changes (if any)**

None

**Information on cases where a variable part of remuneration has been reclaimed**

None

**Temporary derogations applied, including an explanation of the nature of the exception and an indication of the specific components of the remuneration policy for which the temporary derogation has been applied**

None