

**SAF Tehnika A/S**  
**Consolidated Interim Report**  
**for Q2 and 6 month of financial year 2024/2025**  
**(July 1, 2024 – December 31, 2024)**

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## KEY DATA

SAF Tehnika (hereinafter – the Group) is a manufacturer of wireless data transmission equipment. The company’s activities can be divided into three categories:

- Digital microwave radio equipment for voice and data transmission;
- Microwave spectrum analyzers and signal generators;
- Wireless sensor network solutions for environmental monitoring.

The company’s 20 years of experience and knowledge have enabled it to develop a number of innovations, including the launch of the world’s smallest microwave spectrum analyzers to the market – the Spectrum Compact series, as well as the introduction of wireless sensor network solutions – the Aranet brand.

SAF Tehnika products are found in more than 130 countries worldwide. The company has a total of 260 employees, most of them are considered to be leading experts in their field not only locally, but also globally.

The company’s products are used by both the public and private sectors in areas such as mobile communications, internet service providing, industrial production, finance, horticulture, media and many others.

The company’s activities are based on the concern for the highest quality, customer-focused business philosophy and openness.

Currently, the Group consists of the joint stock company registered in Latvia – AS SAF Tehnika (hereinafter – the Parent company), and subsidiaries “SAF North America” LLC and SAF TEHNIKA ASIA PTE.LTD wholly owned by the Parent company. AS SAF Tehnika is a public joint stock company established under applicable law of the Republic of Latvia. Shares of AS SAF Tehnika are listed on Nasdaq Riga Stock Exchange.

<b>Legal address:</b>	Ganību dambis 24a Rīga, LV-1005 Latvija
<b>Commercial Registry Nr.:</b>	40003474109
<b>VAT Registry Nr.:</b>	LV40003474109
<b>Beginning of financial year:</b>	01.07.2024
<b>End of financial year:</b>	30.06.2025
<b>Phone:</b>	+371 67046840
<b>E-mail:</b>	<a href="mailto:info@saftehnika.com">info@saftehnika.com</a>

## Share and Shareholdings

SAF Tehnika shareholders (over 5%) as of 30.09.2024.

Shareholder	Ownership interest (%)
SIA "Koka zirgs"	19.74%
Didzis Liepkalns	17.05%
Normunds Bergs	9.74%
Juris Zieme	8.71%

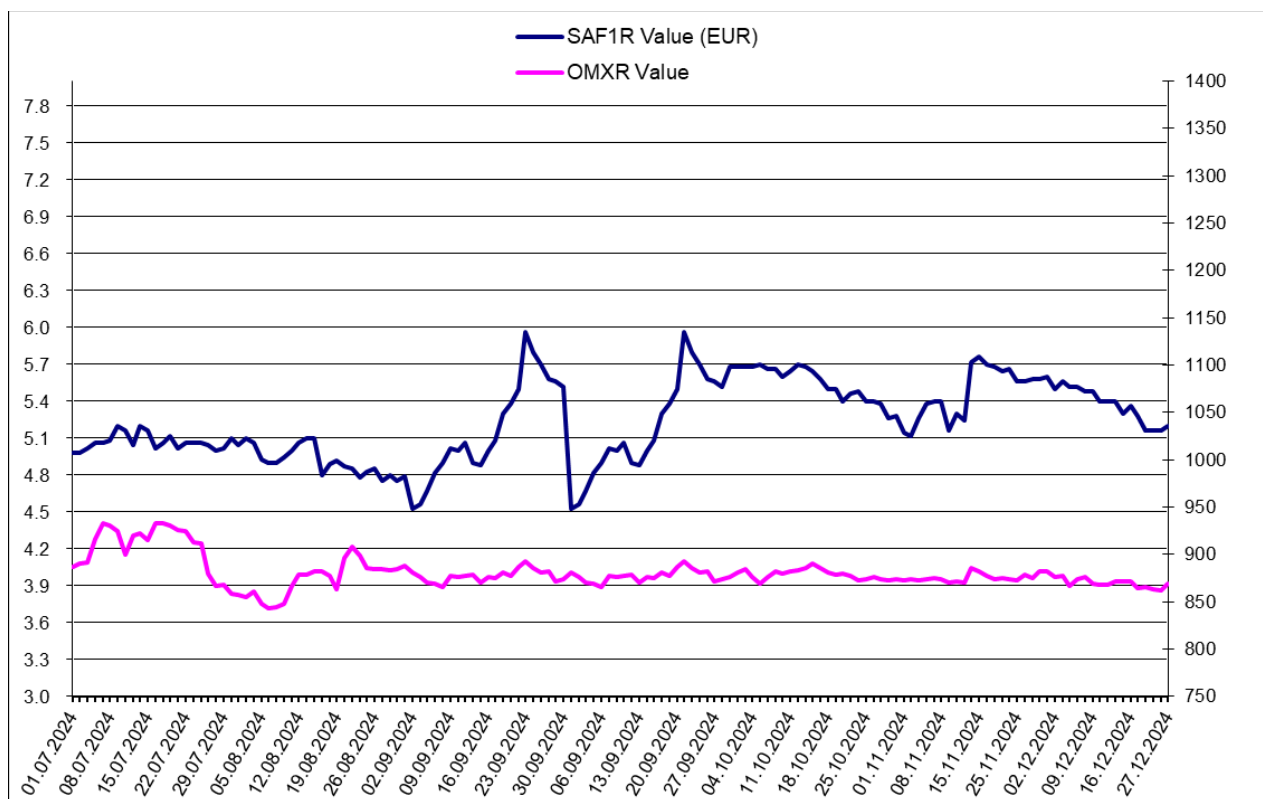
## SAF Tehnika share price and OMX Riga index development for the reporting period

SAF Tehnika (SAF1R)

Period: July 1, 2024 – December 31, 2024

Currency: EUR

Marketplace: Nasdaq Riga



## Information on Management and Supervisory Board members

### SAF Tehnika Management Board:

<b>Name</b>	<b>Position</b>	<b>Ownership interest (%)</b>
Normunds Bergs	Chairman	owns 9.74% of shares
Didzis Liepkalns	Member	owns 17.05% of shares
Zane Jozepa	Member	owns no shares
Janis Bergs	Member	owns 387 shares

### SAF Tehnika Supervisory Board:

<b>Name</b>	<b>Position</b>	<b>Ownership interest (%)</b>
Juris Zieme	Chairman	owns 8.71% of shares
Andrejs Grisans	Vice-Chairman	owns 1.95% of shares
Ivars Senbergs	Member	owns 2 shares
Aira Loite	Member	owns 8000 shares
Sanda Reiharde	Member	owns no shares

## **Information on professional and educational background of the management board members**

**Normunds Bergs**, is Chairman of the Board and Chief Executive Officer of SAF Tehnika AS. Mr. Bergs is one of the founders of SIA Fortech (co-founding company of SAF Tehnika AS) where during the periods from 1990 to 1992 and 1999 to 2000 he acted as Managing Director and General Director, respectively. Following SIA Fortech's merger with AS Microlink in 2000, Mr. Bergs became Chief Executive Officer of SAF Tehnika AS and a member of the Management Board of AS Microlink. From 1992 to 1999, Mr. Bergs worked for World Trade Centre Riga, where he held the position of General Director and became a Member of the Board of Directors in 1998. Mr. Bergs graduated from the Riga Technical University with a degree in radio engineering in 1986.

**Didzis Liepkalns**, is Member of the Board and Technical Director of SAF Tehnika. Mr. Liepkalns founded a private enterprise SAF in 1995 and co-founded the company SAF Tehnika AS in 1999. From 1985 to 1990 he worked as an engineer at the Institute of Electronic Engineering and Computer Sciences. Mr. Liepkalns has graduated Riga Technical University with a degree in radio engineering in 1985.

**Zane Jozepa**, is Member of the Board and Chief Financial Officer. Prior to her employment with SAF Tehnika, Ms. Jozepa has been working in the leading IT and telecommunication services provider in Latvia – SIA Lattelecom, which is a subsidiary company of SIA Citrus Solutions that provides design, construction and maintenance of the engineering and technical systems and infrastructure. Ms. Jozepa has been working as a Business Controller for the first two years. She became Head of Finance in 2008, and a Board Member in 2012. Ms. Jozepa gained her professional experience in finance while working for SIA Coca Cola HBC Latvia during 2001-2006. She has graduated the BA School of Business and Finance (Banku Augstskola) and has a BA degree in finance management.

**Jānis Bergs**, is Member of the Board, Vice President of Sales and Marketing, and the President of "SAF North America". From 2000 till 2006 Mr. Bergs was a Member of the Board and later CEO of AS Microlink. When Microlink was sold to the TeliaSonera group in 2006, Jānis became a shareholder and CEO of SIA FMS, where he worked until January 2015. Mr. Bergs was a Member of AS SAF Tehnika Council from November 2006 till August 2010, and for more than 10 years he has been managing the Latvian IT and Telecommunications Association (LIKTA) and the ICT cluster,

as well as giving lectures in business studies in Riga Business School. Mr.Bergs has graduated Riga Technical University as radio engineer and has an MBA degree from Riga Business School.

## **Information on professional and educational background of the supervisory council members**

**Juris Zieme**, co-founder of the Company, is Chairman of the Supervisory Council and Production Department Director. From 1998 to 1999 he worked as an engineer at Mr. Liepkalns private enterprise SAF. From 1987 to 1999 Mr. Zieme worked as an engineer at the Institute of Electronic Engineering and Computer Sciences. Mr. Zieme has graduated Riga Technical University with a degree in radio engineering in 1987.

**Andrejs Grišāns**, co-founder of the Company, is Vice-Chairman of the Supervisory Council and Production Department Manager. Prior to joining the Company, he owned and managed a private company specializing in electronic equipment engineering, production and distribution. From 1992 to 1999 Mr. Grisans was involved in entrepreneurial activities in the field of radio engineering. He worked as an engineer-constructor at the Institute of Polymer Mechanics from 1984 to 1992 and in the constructing bureau Orbita from 1980 to 1984. Mr. Grisans has graduated Riga Technical University with a degree in radio engineering in 1980.

**Ivars Šenbergs**, Member of the Supervisory Council, also Chairman of the Board of SIA Juridiskais Audits, SIA Namipasumu parvalde, SIA Synergy Consulting, SIA IŠMU, SIA Dzirnavu centrs and Member of the Supervisory Council of AS MFS bookkeeping. From 1999 until 2000 he worked as Finance and Administrative Director at SIA Fortech. Mr. Šenbergs has graduated Faculty of Law, University of Latvia in 1986.

**Aira Loite**, Member of the Supervisory Council, has resumed working in SAF Tehnika in a position of a Director of Digital Transformation in September 2021. She has extensive experience in management, finance, administration and IT, gained in companies operating in local and international markets. She worked as an Administrative Director (2019-2020) in a food production company “Forevers” Ltd.), metal processing company group “Torgy Mek” as Finance Director (2016-2019) and as a Director of Torgy Baltic SIA (2018-2019). Aira Loite has been a member of the Board of SAF Tehnika, Finance and Administrative Director (2007-2011), Managing Director (2011-2015). From 2006 to 2007, she worked as the director of the Business Information and Control Department of SIA Lattelecom. From 2000 to 2006, she was a member of the Board and Chief Financial Officer of SIA Microlink Latvia. A. Loite has graduated the University of Latvia in



1988 and holds Masters degree in Mathematics and MBA from Salford University, GB, obtained in 2009.

**Sanda Reiharde**, Member of the Supervisory Council, currently leading Microsoft Azure business in Small and Medium segment in CEE (Central and Eastern Europe) 30+ countries. Almost 15 years spent in the information technology industry in various business development and sales leader roles in the Baltic and European markets. Previous experience in banking (Parex Bank, 2006-2008) and sales account management in a Danish and Swedish owned logistics company Baltic Transshipment Center (2000-2006). She graduated from Salford University in 2009 with MBA, as well as Riga Stradins University in 2021, and holds a Master degree in Clinical Psychology.

## Statement of Board's Responsibilities

The Board of SAF Tehnika JSC (hereinafter – the Parent) is responsible for preparing the consolidated financial statements of the Parent and its subsidiaries (hereinafter - the Group).


The consolidated financial statements are prepared in accordance with the source documents and present fairly the consolidated financial position of the Group as of 31 December, 2024 and the consolidated results of its financial performance and cash flows for the quarter then ended.

The above mentioned financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and are prepared on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. The consolidated interim financial statements have been prepared based on the same accounting principles applied in the Consolidated Financial Statements for the year ended on June 30, 2024.

Prudent and reasonable judgments and estimates have been made by the management in the preparation of the financial statements.

The Board of SAF Tehnika JSC is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets and the prevention and detection of fraud and other irregularities in the Group. The Board is responsible for compliance with the requirements of normative acts of the countries the Group operates in (Latvia and United States of America).

The interim financial statements have been prepared in Euro.



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Zane Jozepa  
CFO, Member of the Management Board

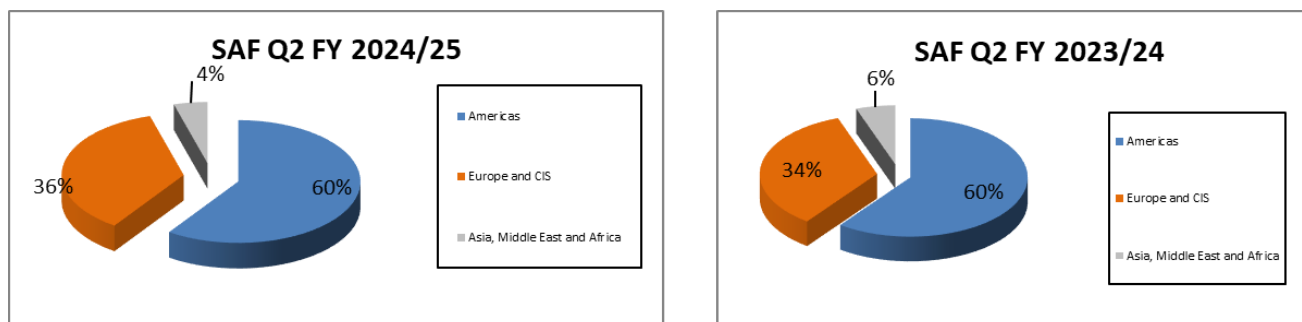
## Management Report

The Group's unaudited consolidated net turnover for the second quarter (Q2) of the 2024/2025 financial year (FY) amounted to EUR 7.04 million, showing a 21% decrease compared to the same period in FY 2023/2024.

The turnover of the North America and Latin America region amounted to 60%, or EUR 4.2 million. Compared to the same quarter of the previous financial year, the turnover has decreased by 22%.

The European region accounted for 36% of the turnover, or EUR 2.5 million, which is 18% less than in the second quarter of the previous financial year. Turnover in the Asia, Africa, and Middle East region has decreased by 35% compared to the corresponding quarter of the previous financial year, accounting for 4% of the total quarterly turnover (or EUR 314 thousand). As noted in previous reports, fluctuations in quarterly turnover are influenced by the completion of individual projects. Furthermore, Q2 of the previous financial year was the best-performing quarter of FY 2023/2024.

### Comparative charts of Q2 sales volumes by regions:



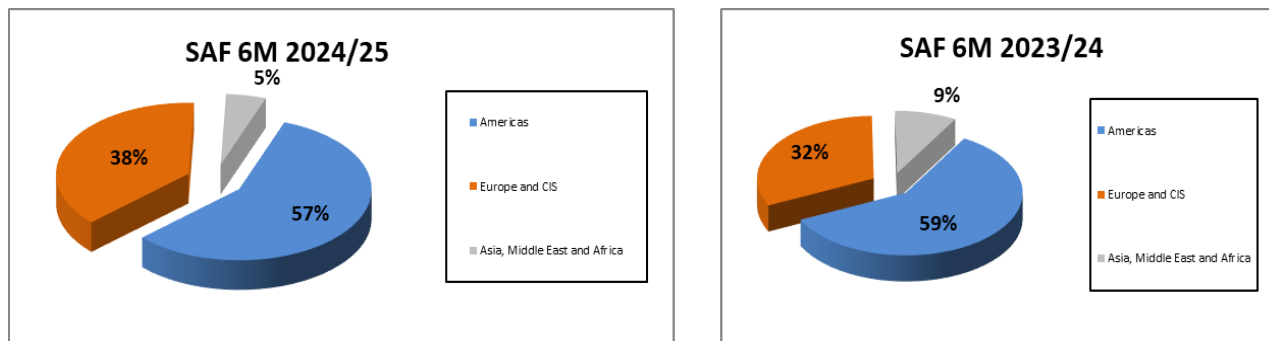
In the reporting quarter, the Group's products were sold in 70 countries.

For the six months of the 2024/2025 financial year, the Group's unaudited consolidated turnover was EUR 15.57 million, representing a 9% increase compared to the revenue of the previous financial year.

Over a 6-month period, revenues in North and Latin Americas represented 58% of the total turnover of the Group and amounted to EUR 9 million, thus showing a 5% increase compared to the result of the six months of the previous financial year. 38% of the total turnover comes from revenues generated in European countries, which increased by 28% against 6 months of the previous

year and amount to EUR 5.9 million. Revenue from the Asia, Africa and the Middle East region declined by 38%, accounting for 5% of the Group's total turnover.

### Charts comparing the sales volume distribution by region for the 6-month period:



The Group's expenses did not exceed the amounts planned in the budget. The Group continues to invest in the development of new, promising products and product modifications, as well as in sales promotion across existing and new market segments.

The Group closed the second quarter of the 2024/2025 financial year with a profit of EUR 228 thousand (unaudited). The result of Q2 of the previous year was a profit of EUR 523 thousand.

The consolidated unaudited result for the first six months of the 2024/2025 financial year is a profit of EUR 1.04 million. The Group's result for the six months of the 2023/2024 financial year was a loss of EUR 950 thousand.

The Group's operations were affected by the global shortage of various electronic components. During the previous period, the company accumulated material reserves to be able to fulfill the majority of orders, ensuring short, or customer-expected, delivery times. Delivery times have continued to improve recently.

The Group's net cash flow for the six months of the financial year is EUR 1 million. The Group's cash balance in the balance sheet at the end of the period was EUR 4 million.

To ensure liquidity, the Parent Company has a Credit Line Agreement with Luminor Bank AS for a total amount of EUR 4.95 million, which had not been utilized at the end of the reporting period.

In Q2 of the 2024/2025 financial year, EUR 144 thousand were invested in the purchase of fixed assets – primarily to support production and testing processes, as well as for the acquisition of office equipment. Investments in the renovation of the premises are ongoing.

## **Market Overview**

During the quarter, there were no major changes in the microwave radio market. We believe that significant and rapid changes in the microwave radio market are not expected in the near future. SAF regularly collaborates and works with all clients and partners to proactively identify and mitigate risks, as well as explore new opportunities.

The Group has no clients or suppliers in the region affected by armed conflict (Russia, Ukraine, or Belarus); therefore, no impact on order volumes has been observed.

## **Guidelines**

SAF Tehnika is a company with extensive experience and expertise in the development and production of microwave links.

Although the hostilities in Ukraine do not directly impact the Group's operations, overall uncertainty in the business environment persists. The Group continues to monitor potential cost increase forecasts and evaluate associated risks. The company regularly reviews procurement volumes and timelines, ensuring sufficient material reserves to fulfill most orders within standard lead times. This applies to all SAF product families: microwave links, spectrum analyzers, and Internet of Things (IoT).

Even with the modernization of the telecommunications market toward fiber optic communications, there is still a strong demand for radio systems that provide enhanced data rates. Therefore, the Group continues to actively research the market and identify key issues in order to propose necessary product modifications and develop prototypes for next-generation technologies. At the same time, the Group develops IoT solutions for both business and consumer segments, diversifying its product line, creating higher added value for SAF Tehnika product offerings, and increasing the Group's revenue.

The company's goal is to stabilize turnover to ensure a positive net result in the long term. The Board of SAF Tehnika remains cautious and refrains from providing specific sales and performance forecasts.

As of December 31, 2024, the Group had 264 employees (276 employees as of December 31, 2023).

## KEY indicators

	Q2 2024/25	Q2 2023/24	Q2 2022/23
	EUR	EUR	EUR
Net Sales	7 043 600	8 923 848	10 538 867
Earnings before interest, taxes and depreciation (EBITDA)	446 717	994 438	1 961 062
<i>share of the turnover %</i>	6%	11%	19%
Profit/loss before interest and taxes (EBIT)	33 172	607 657	1 675 808
<i>share of the turnover %</i>	0%	7%	16%
Net Profit	228 711	522 926	1 001 070
<i>share of the turnover %</i>	3%	6%	9%
Total assets	23 591 877	27 455 694	30 436 140
Total Owners equity	17 484 644	17 846 920	18 885 695
Return on equity (ROE) %	0.96%	1.96%	3.31%
Return on assets (ROA) %	1.32%	3.05%	5.14%
Liquidity ratio			
<i>Quick ratio %</i>	99%	32%	41%
<i>Current ratio %</i>	156%	74%	77%
Earnings per share	0.08	0.18	0.34
Last share price at the end of period	5.20	7.00	12.65
P/E	-40.00	-18.42	6.23
Number of employees at the end of reporting period	264	276	257

## Consolidated Statement of Financial Position

	Note	31.12.2024	31.12.2023
<b>CURRENT ASSETS</b>		<b>EUR</b>	<b>EUR</b>
<b>Cash and bank</b>		<b>4 021 657</b>	<b>2 351 195</b>
<b>Customer receivables</b>	<b>1</b>		
Accounts receivable		1 911 022	3 093 783
Allowance for uncollectible receivables		-9 973	-69 222
<b>Total</b>		<b>1 901 049</b>	<b>3 024 561</b>
Short-term loans		300 000	0
Other current receivables	<b>2</b>	118 964	120 223
<b>Total</b>		<b>418 964</b>	<b>120 223</b>
<b>Prepaid expenses</b>			
Prepaid taxes		51 059	108 748
Other prepaid expenses		277 623	292 630
<b>Total</b>		<b>328 681</b>	<b>401 378</b>
<b>Inventories</b>	<b>3</b>		
Raw materials		2 373 175	5 199 865
Work-in-progress		3 350 892	3 590 691
Finished goods		6 030 656	6 843 393
Prepayments to suppliers		71 753	28 707
<b>Total</b>		<b>11 826 476</b>	<b>15 662 656</b>
<b>TOTAL CURRENT ASSETS</b>		<b>18 496 827</b>	<b>21 560 013</b>
<b>NON-CURRENT ASSETS</b>			
<b>Long-term financial assets</b>			
Investments in other companies		209 183	209 328
Deffered income tax		169 833	134 952
Long-term loans		7 338	0
<b>Total</b>		<b>386 354</b>	<b>344 280</b>
<b>NON-CURRENT physical assets</b>	<b>4</b>		
Plant and equipment		5 785 668	5 650 664
Other equipment and fixtures		3 790 791	3 586 916
Accumulated depreciation		-6 838 088	-5 991 462
Prepayments for noncurrent physical assets		13 475	6 780
Unfinished renovation works		26 940	31 441
Long-term investment - lease		1 394 400	1 781 427
<b>Total</b>		<b>4 173 186</b>	<b>5 065 766</b>
<b>Intangible assets</b>	<b>4</b>		
Purchased licenses, trademarks etc.		505 229	485 635
Other long-term intangible assets		30 281	0
<b>Total</b>		<b>535 510</b>	<b>485 635</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5 095 049</b>	<b>5 895 681</b>
<b>TOTAL ASSETS</b>		<b>23 591 877</b>	<b>27 455 694</b>



<b>LIABILITIES AND OWNERS' EQUITY</b>	<b>Note</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>CURRENT LIABILITIES</b>		<b>EUR</b>	<b>EUR</b>
<b>Debt obligations</b>			
Short-term loans from financial institutions	<b>5</b>	0	2 033 423
Customer prepayments for goods and services		144 234	970 548
Accounts payable		765 952	1 445 094
Accrued short-term operating lease liabilities	<b>6</b>	352 372	387 801
Tax liabilities		434 422	552 648
Salary-related accrued expenses	<b>7</b>	1 729 471	1 558 836
Provisions for guarantees		55 658	55 658
Deffered income		580 559	438 762
<b>TOTAL CURRENT LIABILITIES</b>		<b>4 062 667</b>	<b>7 442 770</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term deffered income		862 835	674 147
Accrues long-term operating lease liabilities	<b>6</b>	1 181 730	1 491 856
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>2 044 565</b>	<b>2 166 003</b>
<b>TOTAL LIABILITIES</b>		<b>6 107 233</b>	<b>9 608 773</b>
<b>OWNERS' EQUITY</b>			
Share capital		4 158 252	4 158 252
Paid in capital over par		2 851 726	2 851 726
Other reserves		8 530	8 530
Retained earnings		9 378 876	11 748 240
Net profit for the financial year		1 042 612	-950 550
Currency translation reserve		44 647	30 723
<b>TOTAL OWNERS' EQUITY</b>		<b>17 484 644</b>	<b>17 846 921</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>23 591 876</b>	<b>27 455 694</b>

## Consolidated Statement of Profit or Loss for 6 month of the financial year 2024/2025

	Note	31.12.2024	31.12.2023
		EUR	EUR
Net sales	8	15 572 970	14 309 092
Other operating income		185 877	222 701
<b>Total income</b>		<b>15 758 847</b>	<b>14 531 793</b>
Direct cost of goods sold or services rendered		-5 626 781	-6 943 949
Marketing, advertising and public relations expenses		-847 437	-873 511
Bad receivables	9	6 217	-51 719
Operating expenses		-1 065 668	-1 073 736
Salaries and social expenses	10	-5 173 141	-5 172 823
Bonuses and social expenses	10	-1 284 263	-511 992
Depreciation expense		-621 727	-557 254
Amortization of operating lease		-194 383	-194 420
Other expenses		-18 155	-17 016
<b>Operating expenses</b>		<b>-14 825 339</b>	<b>-15 396 420</b>
<b>EBIT</b>		<b>933 508</b>	<b>-864 627</b>
Financial income (except ForEx rate difference)		20 458	9 694
Financial costs (except ForEx rate difference)		-32 366	-93 741
Foreign exchange +gain/(loss)		121 012	-1 876
<b>Financial items</b>		<b>109 104</b>	<b>-85 923</b>
<b>EBT</b>		<b>1 042 612</b>	<b>-950 550</b>
<b>Profit after taxes</b>		<b>1 042 612</b>	<b>-950 550</b>
<b>Net profit/(loss)</b>		<b>1 042 612</b>	<b>-950 550</b>

\*Earnings per share

EPS 31.12.2024. = 0.35 EUR

EPS 31.12.2023. = -0.32 EUR

### Consolidated Statement of Profit or Loss for Q2 of the financial year 2024/2025

	31.12.2024	31.12.2023
	EUR	EUR
Net sales	7 043 600	8 923 848
Other operating income	140 785	-705 658
<b>Total income</b>	<b>7 184 385</b>	<b>8 218 190</b>
Direct cost of goods sold or services rendered	-2 631 432	-3 304 764
Marketing, advertising and public relations expenses	-507 671	-515 582
Bad receivables	-7 396	-2 023
Operating expenses	-553 074	-588 653
Salaries and social expenses	-2 742 677	-2 651 763
Bonuses and social expenses	-297 653	-178 829
Depreciation expense	-316 187	-289 497
Amortization of operating lease	-97 358	-97 284
Other expenses	2 235	17 862
<b>Operating expenses</b>	<b>-7 151 213</b>	<b>-7 610 533</b>
<b>EBIT</b>	<b>33 172</b>	<b>607 657</b>
Financial income (except ForEx rate difference)	15 806	7 072
Financial costs (except ForEx rate difference)	-15 515	-50 125
Foreign exchange +gain/(loss)	195 248	-41 678
<b>Financial items</b>	<b>195 539</b>	<b>-84 731</b>
<b>EBT</b>	<b>228 711</b>	<b>522 926</b>
<b>Corporate income tax</b>	<b>0</b>	<b>0</b>
<b>Net profit/(loss)</b>	<b>228 711</b>	<b>522 926</b>

\*Earnings per share

EPS 31.12.2024. = 0.08 EUR

EPS 31.12.2023. = 0.18 EUR

## Consolidated cash flow statement for 6 months of the financial year 2024/2025

	31.12.2024	31.12.2023
	EUR	EUR
<b>CASH GENERATED FROM OPERATIONS (of which)</b>	<b>2 052 975</b>	<b>-1 146 694</b>
Cash received from customers	15 456 817	12 871 928
Cash paid to suppliers and employees	-13 589 647	-14 301 755
Paid/Received VAT	185 805	283 133
<b>NET CASH USED IN INVESTING ACTIVITIES (of which)</b>	<b>-399 679</b>	<b>-926 322</b>
Cash paid for purchasing shares in subsidiary	145	0
Cash paid for purchasing non-current physical assets	-414 955	-935 411
Interest received	15 131	9 089
<b>NET CASH USED IN FINANCING ACTIVITIES (of which)</b>	<b>284 857</b>	<b>909 744</b>
Short-term loans	-300 000	0
Repayment of short-term loans	-25 939	825 450
Paid interest	-1 368	-62 739
Cash received from EU funds	612 164	147 033
<b>Effects of exchange rate changes</b>	<b>-129 693</b>	<b>50 028</b>
<b>TOTAL CASH FLOW:</b>	<b>1 808 460</b>	<b>-1 113 244</b>
Cash and cash equivalents as at the beginning of period	2 213 197	3 464 439
Cash and cash equivalents as at the end of period	4 021 657	2 351 195
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1 808 460</b>	<b>-1 113 244</b>

## Statement of changes in consolidated equity for the 6 month period ended December 31, 2024

	Share capital	Share premium	Other reserves	Currency translation reserve	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR	EUR
<b>As at 30 June 2023</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	<b>76 791</b>	<b>11 748 240</b>	<b>18 843 539</b>
Currency translation difference	-	-	-	-38 224	-	-38 224
Loss for the year	-	-	-	-	-2 369 364	-2 369 364
<b>As at 30 June 2024</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	<b>38 567</b>	<b>9 378 876</b>	<b>16 435 951</b>
Currency translation difference	-	-	-	6 080	-	6 080
Profit for the year	-	-	-	-	1 042 612	1 042 612
<b>As at 31 December 2024</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	<b>44 647</b>	<b>10 421 488</b>	<b>17 484 643</b>

## Notes for interim report

### Note 1 Customer receivables

	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>EUR</b>	<b>EUR</b>
Accounts receivable	1 911 022	3 093 783
Provisions for bad and doubtful accounts receivable	(9 973)	(69 222)
<b>Total receivables</b>	<b>1 901 049</b>	<b>3 024 561</b>

As compared to the same balance sheet date of the previous financial year the total receivables have decreased.

### Note 2 Other current receivables

	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>EUR</b>	<b>EUR</b>
<b>Other current receivables</b>	<b>118 964</b>	<b>120 223</b>

Other current receivables include the amounts of calculated co-financing from EU funds for ongoing product development projects. Co-financing is assigned via competence center “LEO pētījumu centrs” (LEO) and will be received when project documentation and results are reviewed and accepted by project sponsor.

### Note 3 Inventories

	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>EUR</b>	<b>EUR</b>
Raw materials	7 083 438	9 532 297
Allowance for slow-moving items	(4 710 263)	(4 332 432)
Work-in-progress	3 350 892	3 590 691
Finished goods	6 030 656	6 843 393
Prepayments to suppliers	71 753	28 707
	<b>11 826 476</b>	<b>15 662 656</b>

Compared to December 31, 2023, total inventory volumes decreased by 25%.

The Group maintains a certain level of raw materials and consumables in order to be able to deliver all products that are currently included in the Group’s product portfolio within competitive deadlines.

The Group’s inventory must include components of previously manufactured and sold equipment in order to be able to provide them with repair services.

Following the precautionary principle and the Group’s policy on slow-moving stocks – the stocks that over the period of 12, 9 or 6 months, respectively, have moved by less than 30% of their amount at the beginning of the period are recognized as slow-moving inventory.

#### Note 4 Non-current, intangible assets

	31.12.2024 EUR	31.12.2023 EUR
Plant and equipment	5 785 668	5 650 664
Other equipment and fixtures	3 790 791	3 586 916
Accumulated depreciation	(6 838 088)	(5 991 462)
Prepayments for noncurrent physical assets	13 475	6 780
Unfinished renovation works	26 940	31 441
Long-term investment lease*	1 394 400	1 781 427
	<b>4 173 186</b>	<b>5 065 766</b>
Purchased licenses, trademarks etc.	505 229	485 635
Other long-term intangible assets	30 281	-
	<b>535 510</b>	<b>485 635</b>
<b>Total non-current, intangible assets</b>	<b>4 708 696</b>	<b>5 551 401</b>

\*See Note 6 Operating lease liabilities

During Q2, the Group acquired fixed assets and intangible assets in the amount of 144 thousand euros – mainly, in order to ensure production and testing processes, as well as to acquire office equipment.

#### Note 5 Short-term loans from financial institutions

	31.12.2024 EUR	31.12.2023 EUR
<b>Short-term loans from financial institutions</b>	-	<b>2 033 423</b>

To ensure liquidity, the Parent Company has an active credit line agreement with Luminor Bank AS for the total amount of EUR 4.95 million. At the end of the reporting period, the credit line had not been used.

#### Note 6 Operating lease liabilities

	31.12.2024 EUR	31.12.2023 EUR
Accrued short-term operating lease liabilities	352 372	387 801
Accrued long-term operating lease liabilities	1 181 730	1 491 856
	<b>1 534 102</b>	<b>1 879 657</b>

As a result of the introduction of IFRS 16 “Leases”, the Group has made estimates in respect of concluded operating leases, assuming that over the next 5 (five) years, it will continue to lease premises in accordance with the concluded lease agreements. In addition, the volume of leased premises has also increased.

## Note 7 Salary-related accrued expenses

	31.12.2024 EUR	31.12.2023 EUR
<b>Salary-related accrued expenses</b>	<u>1 729 471</u>	<u>1 558 836</u>

The increase in the balance sheet is due to fluctuations in the amounts of vacation accruals and bonuses between periods.

## Note 8 Segment information

a) The Group's (Parent company's) operations are divided into two major structural units:

- SAF branded equipment designed and produced in-house - as one of the structural units containing CFIP, Integra (Integrated carrier-grade Ethernet microwave radio), Spectrum Compact (measurement tools for radio engineers) and Aranet (environmental monitoring solutions).

**CFIP** – product line is represented by:

- Phoenix, a split mount (IDU+ODU) PhoeniX hybrid radio system with Gigabit Ethernet and 20E1 interfaces;
- Lumina high capacity Full Outdoor all-in-one radio with Gigabit Ethernet traffic interface;
- Marathon FIDU low frequency low capacity system for industrial applications, energy companies and rural telecom use.

All CFIP radios are offered in most widely used frequency bands from 1.4GHz to 38 GHz, thus enabling the use of CFIP radios all across the globe.

**Integra** – is a next generation radio system employing latest modem technology on the market as well as radio technology in an innovative packaging.

**Spectrum Compact** is the latest product line in SAF's portfolio, it is a measurement tool for field engineers for telecom, broadcasting and other industries using radio technologies. It comprises of a number of units covering several frequency bands and proving various functionality.

**Aranet**- the latest SAF product line for environmental monitoring, consisting of various wireless sensors, base stations and Aranet cloud solution for data collection, aggregation and analysis.

- operations related to sales of products purchased from other suppliers, like antennas, cables, SAF renamed (OEMed) products and different accessories - as the second unit.

b) This note provides information about division of the Group's turnover and balance items by structural units by product type for 6 month of the financial year 2024/25 and financial year 2023/24.

	CFIP, Integra, Spectrum		Other		Total	
	Compact, Aranet					
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Segment assets</b>	<b>13 985 401</b>	<b>22 547 388</b>	<b>816 609</b>	<b>1 735 518</b>	<b>14 802 010</b>	<b>24 282 906</b>
Undivided assets					8 789 867	3 172 788
<b>Total assets</b>					<b>23 591 877</b>	<b>27 455 694</b>
<b>Segment liabilities</b>	<b>1 488 479</b>	<b>2 974 928</b>	<b>49 267</b>	<b>70 724</b>	<b>1 537 746</b>	<b>3 045 652</b>
Undivided liabilities					4 569 488	6 563 121
<b>Total liabilities</b>					<b>6 107 234</b>	<b>9 608 773</b>
<b>Net sales</b>	<b>13 959 928</b>	<b>13 059 724</b>	<b>1 613 042</b>	<b>1 249 368</b>	<b>15 572 970</b>	<b>14 309 092</b>
<b>Segment results</b>	<b>5 513 101</b>	<b>4 181 948</b>	<b>1 944 745</b>	<b>1 154 278</b>	<b>7 457 846</b>	<b>5 336 226</b>
Undivided expenses					-6 710 215	-6 423 554
<b>Profit from operations</b>					<b>747 631</b>	<b>-1 087 328</b>
Other income					185 877	222 701
Financial income (except ForEx rate difference)					20 458	9 694
Financial costs (except ForEx rate difference)					-32 366	-93 741
Foreign exchange +gain/(loss)					121 012	-1 876
<b>Profit before taxes</b>					<b>1 042 612</b>	<b>-950 550</b>
Corporate income tax					0	0
<b>Profit after taxes</b>					<b>1 042 612</b>	<b>-950 550</b>
<b>Net profit</b>					<b>1 042 612</b>	<b>-950 550</b>
<b>Other information</b>						
Additions of property plant and equipment and intangible assets	85 778	164 815	0	0	85 778	164 815
Undivided additions					290 368	840 737
<b>Total additions of property plant and equipment and intangible assets</b>					<b>376 146</b>	<b>1 005 552</b>
Depreciation and amortization	380 623	367 405	0	0	380 623	367 405
Undivided depreciation					435 487	384 268
<b>Total depreciation and amortization</b>					<b>816 110</b>	<b>751 673</b>



c) This note provides information about division of the Group's turnover and assets by geographical regions (customer location) for 6 month of the financial year 2024/25 compared to the same period of financial year 2023/24.

	Net sales		Assets	
	2024/25 EUR	2023/24 EUR	31.12.2024 EUR	31.12.2023 EUR
Americas	8 958 357	8 522 898	1 430 313	2 173 411
Europe, CIS	5 853 468	4 557 178	432 250	804 630
Asia, Africa, Middle East	761 145	1 229 016	38 486	46 521
	<b>15 572 970</b>	<b>14 309 092</b>	<b>1 901 049</b>	<b>3 024 561</b>
Unallocated assets	-	-	21 690 828	24 431 133
	<b>15 572 970</b>	<b>14 309 092</b>	<b>23 591 877</b>	<b>27 455 694</b>

#### Note 9 Bad receivables

	31.12.2024 EUR	31.12.2023 EUR
<b>Bad receivables</b>	<b>6 217</b>	<b>(51 719)</b>

Provisions for doubtful and bad accounts receivable were calculated according to Group's provision calculation policy. The Group starts to calculate provisions for customers who delays payment terms more than 3 months. Additional provisions were calculated for debts were probability not to receive payment is high, although agreed payment term has not come yet. Assessing the risks of receivables, additional provision for insecure debts has been made.

#### Note 10 Salaries, bonuses and social expenses

	31.12.2024 EUR	31.12.2023 EUR
Salaries and social expenses	5 173 141	5 172 823
Bonuses and social expenses	1 284 263	511 992
	<b>6 457 404</b>	<b>5 684 815</b>

Compared to the first six months of the previous 2023/2024 financial year, the amount of wages and relevant social costs has increased by 14%. It reflects the change in the amount of accruals for performance bonuses.