

**SAF Tehnika A/S**  
**Consolidated Interim Report**  
**for Q3 and 9 month of financial year 2023/2024**  
**(July 1, 2023 – March 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>	01.07.2023
<b>End of financial year:</b>	30.06.2024
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## Share and Shareholdings

SAF Tehnika shareholders (over 5%) as of 30.06.2023.

Shareholder	Ownership interest (%)
Didzis Liepkalns	17.05%
SIA „Koka zirgs”	11.59%
Andrejs Grišāns	10.03%
Normunds Bergs	9.74%
Juris Ziema	8.71%

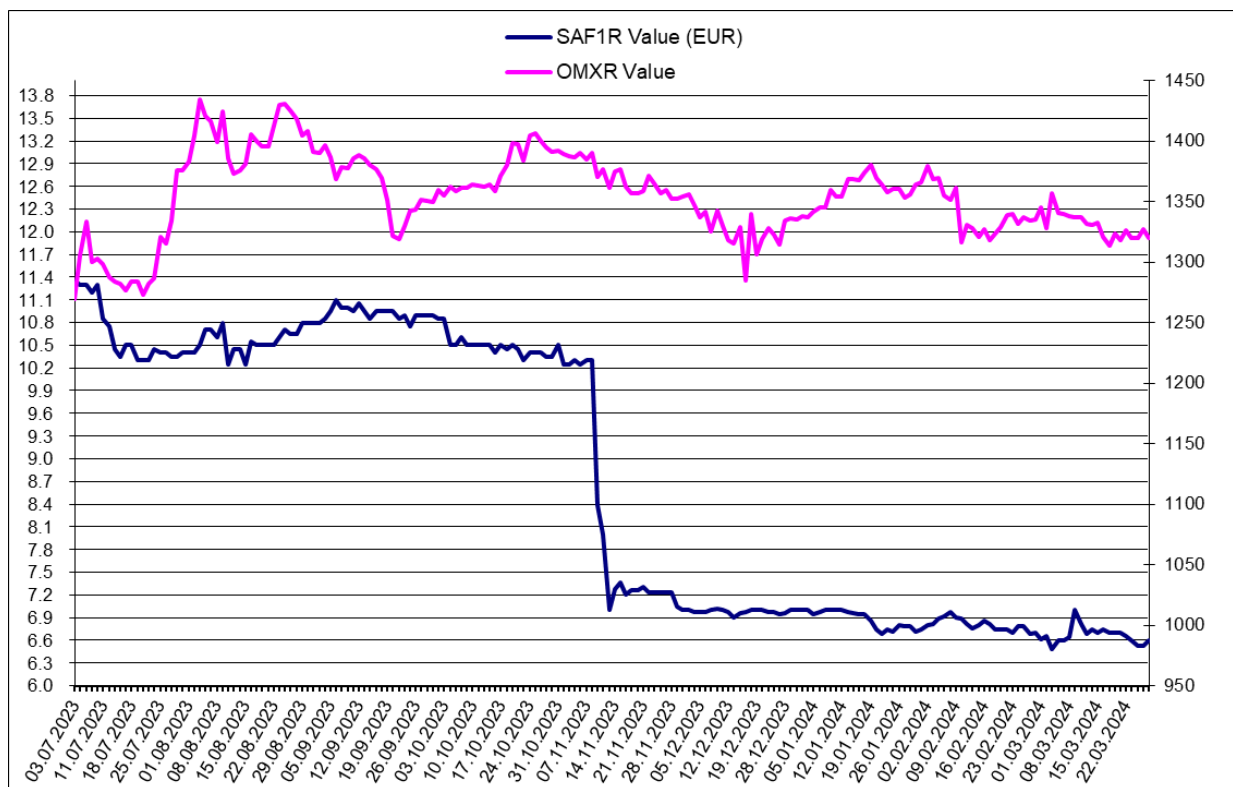
## SAF Tehnika share price and OMX Riga index development for the reporting period

SAF Tehnika (SAF1R)

Period: July 1, 2023– March 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 10.03% 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 March, 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, 2023.

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

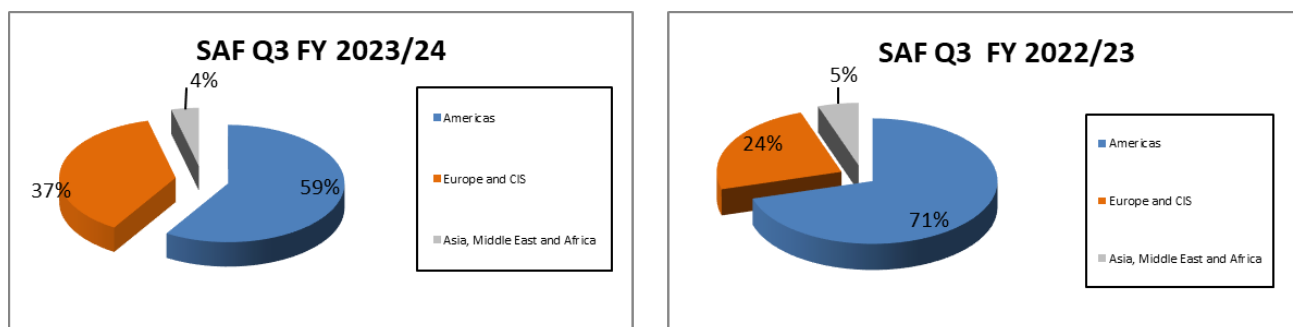
## Management Report

The Group's unaudited consolidated net turnover for the third quarter (Q3) of the financial year 2023/2024 was EUR 6.8 million, which is an increase of 3% compared to the 3rd quarter of the financial year 2022/2023.

The turnover of the North and Latin America region amounted to 59%, or EUR 4 million. Compared to the same quarter of the previous financial year, the turnover decreased by 14%.

The European region gave 37% of the turnover, or EUR 2.5 million, which is 58% more than in the Q3 of the previous financial year. The turnover in Asia, Africa and the Middle East region has decreased compared to the corresponding quarter of the previous financial year, and accounts for 4% of the total quarterly turnover (or EUR 260 thousand).

### Comparative charts of Q3 sales volumes by regions:

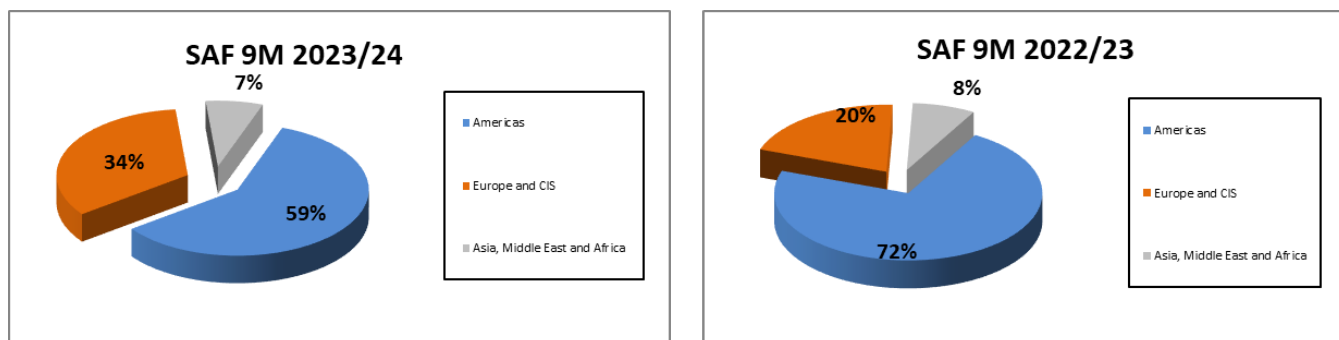


In the reporting quarter, the Group's products were sold in 75 countries.

The Group's unaudited consolidated net turnover for 9 months of the financial year 2023/2024 was EUR 21.11 million, which is 26% less than the revenue volume in the last financial year.

Over a 9-month period, revenues in North and Latin Americas represented 59% of the total turnover of the Group and amounted to EUR 12.5 million, thus showing a decrease of 39% compared to the result of the 9 months of the previous financial year. 34% of the total turnover is made up of revenues from European countries, which increased by 22% against 9 months of the previous year and amount to EUR 7.1 million. Revenue from Asia, Africa and the Middle East region decreased by 31%, or EUR 0.7 million, accounting for 7% of the Group's total turnover.

### Comparative charts of 9-month sales volumes by region:



The Group's expenditures did not exceed the planned volumes and were generally lower than in the same period a year earlier, which is due to lower sales and associated costs. The Group continues to invest in the development of new products and product modifications in existing and emerging market segments.

The Group closed the 3rd quarter of the financial year 2023/2024 with losses of EUR 942 thousand (unaudited). The result of Q3 of the previous year was a loss of EUR 973 thousand.

The consolidated unaudited result of 9 months of the financial year 2023/2024 is a loss of EUR 1.89 million. The Group's profit for the 9 months of the previous financial year 2022/2023 was EUR 2.59 million.

Since the Group's operations were long affected by the global shortage of various electronic components, the company has accumulated material reserves during the previous periods to be able to fulfil most of the orders, ensuring short delivery times. Following the precautionary principle, 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. Total provisions for slow-moving stocks in the 9 months of the financial year (compared to the volume at the end of the previous financial year) increased by EUR 1.6 million (increased by EUR 500 thousand in the reporting quarter), and total EUR 4.8 million.

The Group has a negative net cash flow for the 9-month period of the financial year – EUR 1.4 million. The Group's cash balance on the balance sheet at the end of the period was EUR 1.98 million.

To ensure liquidity, the Parent Company continues the Credit Line Agreement with Luminor Bank AS for the total amount of EUR 4.95 million. At the end of the reporting period, the use of the credit line was EUR 463 thousand.

In the 3rd quarter of the financial year 2023/2024, EUR 119 thousand were invested in the acquisition of fixed assets – mainly to ensure production and testing processes, as well as for the purchase of office equipment.

## **Market Overview**

There were no major changes in the microwave radio market this quarter. We believe that significant changes in the microwave radio market are not expected in the near term, but, in the longer term, there may be certain customer segments that could reconsider investment volumes in network construction. SAF regularly works with all clients and partners to identify and minimize risks in a timely manner.

The Group does not have customers and suppliers in the region involved in military operations (Russia, Ukraine or Belarus), so there is no direct impact on the volume of orders.

## **Guidelines**

SAF Tehnika is a company with long-accumulated experience and knowledge in the development and production of microwave links.

Although hostilities in Ukraine do not have a direct impact on the Group's activities, the general uncertainty in the business environment remains. The Group continues to monitor forecasts of possible cost increases and assess potential risks. The company regularly reviews procurement volumes and deadlines, and continues to provide material reserves in order to be able to execute most of the orders in short delivery terms. This applies to all SAF product families – microwave links, spectrum analyzers and the Internet of Things (IoT).

Despite the modernization of the telecommunications market in the direction of fiber-optic communications, there is still a market demand for radio systems that provide enhanced data rates. Consequently, the Group continues to actively explore the market and problematic issues in order to be able to offer the necessary product modifications and create prototypes for next generation technologies. At the same time, the Group also develops IoT segment solutions in business and consumer segments to diversify, to create higher added value for SAF Tehnika product offering, as well as to increase the Group's revenue.

The goal of the company is to stabilize the turnover level, which ensures a positive net result in the long run. The Board of SAF Tehnika remains cautious and refrains from providing specific sales and performance forecasts.

As of March 31, 2024, the Group had 264 employees (272 employees as of March 31, 2023).

## KEY indicators

	Q3 2022/23	Q3 2022/23	Q3 2021/22
	EUR	EUR	EUR
Net Sales	6 800 389	6 633 835	8 606 684
Earnings before interest, taxes and depreciation (EBITDA)	-547 785	-752 826	1 819 693
<i>share of the turnover %</i>	-8%	-11%	21.1%
Profit/loss before interest and taxes (EBIT)	-939 803	-1 056 462	1 611 490
<i>share of the turnover %</i>	-14%	-16%	19%
Net Profit	-942 116	-973 664	1 648 673
<i>share of the turnover %</i>	-14%	-15%	19%
Total assets	24 114 631	28 314 421	24 227 360
Total Owners equity	16 906 418	17 891 820	16 374 680
Return on equity (ROE) %	-3.65%	-3.31%	7.15%
Return on assets (ROA) %	-5.42%	-5.29%	10.61%
Liquidity ratio			
Quick ratio %	39%	38%	71%
Current ratio %	85%	62%	103%
Earnings per share	-0.32	-0.33	0.56
Last share price at the end of period	6.60	13.15	11.65
P/E	-17.84	11.43	4.81
Number of employees at the end of reporting period	264	272	238

## Consolidated Statement of Financial Position

	Note	31.03.2024	31.03.2023
<b>CURRENT ASSETS</b>		<b>EUR</b>	<b>EUR</b>
<b>Cash and bank</b>		<b>1 978 058</b>	<b>3 025 922</b>
<b>Customer receivables</b>	<b>1</b>		
Accounts receivable		2 349 659	1 891 714
Allowance for uncollectible receivables		-76 180	-22 682
<b>Total</b>		<b>2 273 479</b>	<b>1 869 032</b>
<b>Other receivables</b>			
Other current receivables	<b>2</b>	120 223	29 662
<b>Total</b>		<b>120 223</b>	<b>29 662</b>
<b>Prepaid expenses</b>			
Prepaid taxes		99 142	59 500
Other prepaid expenses		252 612	251 455
<b>Total</b>		<b>351 754</b>	<b>310 955</b>
<b>Inventories</b>	<b>3</b>		
Raw materials		3 553 389	5 440 646
Work-in-progress		3 507 818	3 385 646
Finished goods		6 578 598	8 507 640
Prepayments to suppliers		57 833	86 941
<b>Total</b>		<b>13 697 638</b>	<b>17 420 873</b>
<b>TOTAL CURRENT ASSETS</b>		<b>18 421 152</b>	<b>22 656 444</b>
<b>NON-CURRENT ASSETS</b>			
<b>Long-term financial assets</b>			
Investments in other companies		209 328	209 328
<b>Total</b>		<b>347 263</b>	<b>209 328</b>
<b>NON-CURRENT physical assets</b>	<b>4</b>		
Plant and equipment		5 667 485	5 137 936
Other equipment and fixtures		3 687 740	2 599 558
Accumulated depreciation		-6 219 739	-5 525 243
Prepayments for noncurrent physical assets		14 392	227 742
Unfinished renovation works		33 994	500 334
Long-term investment - lease		1 685 552	2 073 843
<b>Total</b>		<b>4 869 424</b>	<b>5 014 170</b>
<b>Intangible assets</b>	<b>4</b>		
Purchased licenses, trademarks etc.		476 791	402 296
Other long-term intangible assets		0	32 184
<b>Total</b>		<b>476 791</b>	<b>434 480</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5 693 479</b>	<b>5 657 977</b>
<b>TOTAL ASSETS</b>		<b>24 114 631</b>	<b>28 314 421</b>

<b>LIABILITIES AND OWNERS' EQUITY</b>	<b>Note</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>CURRENT LIABILITIES</b>		<b>EUR</b>	<b>EUR</b>
<b>Debt obligations</b>			
Short-term loans from financial institutions	<b>5</b>	462 985	2 406 024
Customer prepayments for goods and services		1 127 815	1 270 759
Accounts payable		594 623	1 162 826
Accrued short-term operating lease liabilities	<b>6</b>	388 877	388 584
Tax liabilities		478 901	423 425
Salary-related accrued expenses	<b>7</b>	1 557 899	1 828 080
Provisions for guarantees		55 658	45 636
Deffered income		446 678	430 619
<b>TOTAL CURRENT LIABILITIES</b>		<b>5 113 436</b>	<b>7 955 953</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term deffered income		689 243	715 206
Accrues long-term operating lease liabilities	<b>6</b>	1 405 534	1 751 442
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>2 094 777</b>	<b>2 466 648</b>
<b>TOTAL LIABILITIES</b>		<b>7 208 213</b>	<b>10 422 601</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		11 748 240	8 213 515
Net profit for the financial year		-1 892 666	2 589 326
Currency translation reserve		32 336	70 471
<b>TOTAL OWNERS' EQUITY</b>		<b>16 906 418</b>	<b>17 891 820</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>24 114 631</b>	<b>28 314 421</b>



## Consolidated Statement of Profit or Loss for 9 month of the financial year 2023/2024

	Note	31.03.2024	31.03.2023
		EUR	EUR
Net sales	8	21 109 481	28 588 585
Other operating income		288 526	152 305
<b>Total income</b>		<b>21 398 007</b>	<b>28 740 890</b>
Direct cost of goods sold or services rendered		-10 330 141	-11 725 164
Marketing, advertising and public relations expenses		-1 388 672	-1 162 405
Bad receivables	9	-58 488	-2 303
Operating expenses		-1 579 007	-1 698 725
Salaries and social expenses	10	-7 877 067	-7 199 675
Bonuses and social expenses	10	-763 250	-2 739 515
Depreciation expense		-852 106	-565 580
Amortization of operating lease		-291 586	-293 378
Other expenses		-62 122	-34 651
<b>Operating expenses</b>		<b>-23 202 438</b>	<b>-25 421 396</b>
<b>EBIT</b>		<b>-1 804 430</b>	<b>3 319 494</b>
Financial income (except ForEx rate difference)		14 589	2 408
Financial costs (except ForEx rate difference)		-135 270	-63 501
Foreign exchange +gain/(loss)		32 450	-22 402
<b>Financial items</b>		<b>-88 230</b>	<b>-83 495</b>
<b>EBT</b>		<b>-1 892 661</b>	<b>3 235 999</b>
Corporate income tax		-5	-646 673
<b>Profit after taxes</b>		<b>-1 892 666</b>	<b>2 589 326</b>
<b>Net profit/(loss)</b>		<b>-1 892 666</b>	<b>2 589 326</b>

\*Earnings per share

EPS 31.03.2024. = -0.64 EUR

EPS 31.03.2023. = 0.87 EUR

## Consolidated Statement of Profit or Loss for Q3 of the financial year 2023/2024

	31.03.2024	31.03.2023
	EUR	EUR
Net sales	6 800 389	6 633 835
Other operating income	65 825	92 302
<b>Total income</b>	<b>6 866 214</b>	<b>6 726 137</b>
Direct cost of goods sold or services rendered	-3 386 190	-3 155 135
Marketing, advertising and public relations expenses	-515 161	-445 080
Bad receivables	-6 769	-2 518
Operating expenses	-505 271	-606 600
Salaries and social expenses	-2 704 244	-2 536 394
Bonuses and social expenses	-251 258	-721 773
Depreciation expense	-294 852	-206 351
Amortization of operating lease	-97 166	-97 285
Other expenses	-45 106	-11 463
<b>Operating expenses</b>	<b>-7 806 017</b>	<b>-7 782 599</b>
<b>EBIT</b>	<b>-939 803</b>	<b>-1 056 462</b>
Financial income (except ForEx rate difference)	4 895	2 019
Financial costs (except ForEx rate difference)	-41 529	-30 486
Foreign exchange +gain/(loss)	34 326	93 479
<b>Financial items</b>	<b>-2 308</b>	<b>65 012</b>
<b>EBT</b>	<b>-942 111</b>	<b>-991 450</b>
<b>Corporate income tax</b>	<b>-5</b>	<b>17 786</b>
<b>Net profit/(loss)</b>	<b>-942 116</b>	<b>-973 664</b>

\*Earnings per share

EPS 31.03.2024. = -0.32 EUR

EPS 31.03.2023. = -0.33 EUR

## Consolidated cash flow statement for 9 months of the financial year 2023/2024

	31.03.2024	31.03.2023
	EUR	EUR
<b>CASH GENERATED FROM OPERATIONS (of which)</b>	<b>246 872</b>	<b>1 018 392</b>
Cash received from customers	20 989 066	28 692 016
Cash paid to suppliers and employees	-21 105 873	-28 360 725
Paid/Received VAT	363 679	687 101
<b>NET CASH USED IN INVESTING ACTIVITIES (of which)</b>	<b>-1 050 510</b>	<b>-1 968 298</b>
Cash paid for purchasing shares in subsidiary	0	-223 195
Cash paid for purchasing non-current physical assets	-1 064 494	-1 745 103
Interest received	13 984	0
<b>NET CASH USED IN FINANCING ACTIVITIES (of which)</b>	<b>-638 409</b>	<b>600 505</b>
Repayment of short-term loans	-744 988	2 406 024
Paid interest	-88 771	-16 834
Cash received from EU funds	195 350	231 037
Dividends paid	0	-2 019 722
<b>Effects of exchange rate changes</b>	<b>-44 334</b>	<b>594 155</b>
<b>TOTAL CASH FLOW:</b>	<b>-1 486 381</b>	<b>244 755</b>
Cash and cash equivalents as at the beginning of period	3 464 439	2 781 167
Cash and cash equivalents as at the end of period	1 978 058	3 025 922
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-1 486 381</b>	<b>244 755</b>

## Statement of changes in consolidated equity for the 9 month period ended March 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 2022</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	145 805	10 233 237	17 397 550
Dividends	-	-	-	-	-2 019 722	-2 019 722
Currency translation difference	-	-	-	-69 014	-	-69 014
Profit for the year	-	-	-	-	3 534 725	3 534 725
<b>As at 30 June 2023</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	76 791	11 748 240	18 843 539
Currency translation difference	-	-	-	-44 455	-	-44 455
Profit for the year	-	-	-	-	-1 892 666	-1 892 666
<b>As at 31 March 2024</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	32 336	9 855 574	16 906 418

## Notes for interim report

### Note 1 Customer receivables

	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
Accounts receivable	2 349 659	1 891 714
Provisions for bad and doubtful accounts receivable	(76 180)	(22 682)
<b>Total receivables</b>	<b>2 273 479</b>	<b>1 869 032</b>

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

### Note 2 Other current receivables

	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
<b>Other current receivables</b>	<b>120 223</b>	<b>29 662</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>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
Raw materials	8 386 132	8 151 446
Allowance for slow-moving items	(4 832 743)	(2 710 800)
Work-in-progress	3 507 818	3 385 646
Finished goods	6 578 598	8 507 640
Prepayments to suppliers	57 833	86 941
	<b>13 697 638</b>	<b>17 420 873</b>

Compared to March 31, 2023, total inventory volumes decreased by 21%.

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

	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
Plant and equipment	5 667 485	5 137 936
Other equipment and fixtures	3 687 740	2 599 558
Accumulated depreciation	(6 219 739)	(5 525 243)
Prepayments for noncurrent physical assets	14 392	227 742
Unfinished renovation works	33 994	500 334
Long-term investment lease*	1 685 552	2 073 843
	<b>4 869 424</b>	<b>5 014 170</b>
Purchased licenses, trademarks etc.	476 791	402 296
Other long-term intangible assets	-	32 814
	<b>476 791</b>	<b>434 480</b>
<b>Total non-current, intangible assets</b>	<b>5 346 215</b>	<b>5 448 650</b>

\*See Note 6 Operating lease liabilities

During Q3, the Group acquired fixed assets and intangible assets in the amount of 119 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

	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
<b>Short-term loans from financial institutions</b>	<b>462 985</b>	<b>2 406 024</b>

To ensure liquidity, the Parent Company continues the Credit Line Agreement with Luminor Bank AS for the total amount of EUR 4.95 million. At the end of the reporting period, the use of the credit line was EUR 463 thousand.

#### Note 6 Operating lease liabilities

	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
Accrued short-term operating lease liabilities	388 877	388 584
Accrued long-term operating lease liabilities	1 405 534	1 751 442
	<b>1 794 411</b>	<b>2 140 026</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

	31.03.2024	31.03.2023
	EUR	EUR
<b>Salary-related accrued expenses</b>	<b>1 557 899</b>	<b>1 828 080</b>

The decrease 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 9 month of the financial year 2023/2024 and financial year 2022/2023.

	CFIP, Integra, Spectrum		Other		Total	
	Compact, Aranet					
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Segment assets</b>	<b>20 066 828</b>	<b>21 740 508</b>	<b>1 925 518</b>	<b>1 405 879</b>	<b>21 992 346</b>	<b>23 146 387</b>
Undivided assets					2 122 285	5 168 034
<b>Total assets</b>					<b>24 114 631</b>	<b>28 314 421</b>
<b>Segment liabilities</b>	<b>2 306 258</b>	<b>2 927 343</b>	<b>37 545</b>	<b>57 779</b>	<b>2 343 803</b>	<b>2 985 122</b>
Undivided liabilities					4 864 410	7 437 479
<b>Total liabilities</b>					<b>7 208 213</b>	<b>10 422 601</b>
<b>Net sales</b>	<b>19 464 130</b>	<b>27 332 482</b>	<b>1 645 351</b>	<b>1 266 103</b>	<b>21 109 481</b>	<b>28 598 585</b>
<b>Segment results</b>	<b>6 081 251</b>	<b>11 582 838</b>	<b>1 588 322</b>	<b>1 927 034</b>	<b>7 669 573</b>	<b>13 509 872</b>
Undivided expenses					-9 762 529	-10 342 683
<b>Profit from operations</b>					<b>-2 092 956</b>	<b>3 167 189</b>
Other income					288 526	152 305
Financial income (except ForEx rate difference)					14 589	2 408
Financial costs (except ForEx rate difference)					-135 270	-63 501
Foreign exchange +gain/(loss)					32 450	-22 402
<b>Profit before taxes</b>					<b>-1 892 661</b>	<b>3 235 999</b>
Corporate income tax					-5	-646 673
<b>Profit after taxes</b>					<b>-1 892 666</b>	<b>2 589 326</b>
<b>Net profit</b>					<b>-1 892 666</b>	<b>2 589 326</b>
<b>Other information</b>						
Additions of property plant and equipment and intangible assets	219 740	221 520	0	0	219 740	221 520
Undivided additions					961 643	776 496
<b>Total additions of property plant and equipment and intangible assets</b>					<b>1 181 383</b>	<b>998 016</b>
Depreciation and amortization	558 982	510 396	0	0	558 982	510 396
Undivided depreciation					584 710	348 562
<b>Total depreciation and amortization</b>					<b>1 143 692</b>	<b>858 958</b>

c) This note provides information about division of the Group's turnover and assets by geographical regions (customer location) for 9 month of the financial year 2023/2024 compared to the same period of financial year 2022/2023.

	<b>Net sales</b>		<b>Assets</b>	
	<b>2023/24</b>	<b>2022/23</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Americas	12 524 099	20 604 891	1 562 880	1 291 159
Europe, CIS	7 095 381	5 808 647	670 021	367 440
Asia, Africa, Middle East	1 490 002	2 175 047	40 578	210 433
	<b>21 109 481</b>	<b>28 588 585</b>	<b>2 273 479</b>	<b>1 869 032</b>
Unallocated assets	-	-	21 841 152	26 445 389
	<b>21 109 481</b>	<b>28 588 585</b>	<b>24 114 631</b>	<b>28 314 421</b>

#### Note 9 Bad receivables

	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
<b>Bad receivables</b>	<b>58 488</b>	<b>2 303</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 where 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

	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and social expenses	7 877 067	7 199 675
Bonuses and social expenses	763 250	2 739 515
	<b>8 640 316</b>	<b>9 939 190</b>

Compared to nine months of the financial year 2022/2023, the amount of wages and relevant social costs decreased by 13%. It reflects the change in the amount of accruals for performance bonuses.