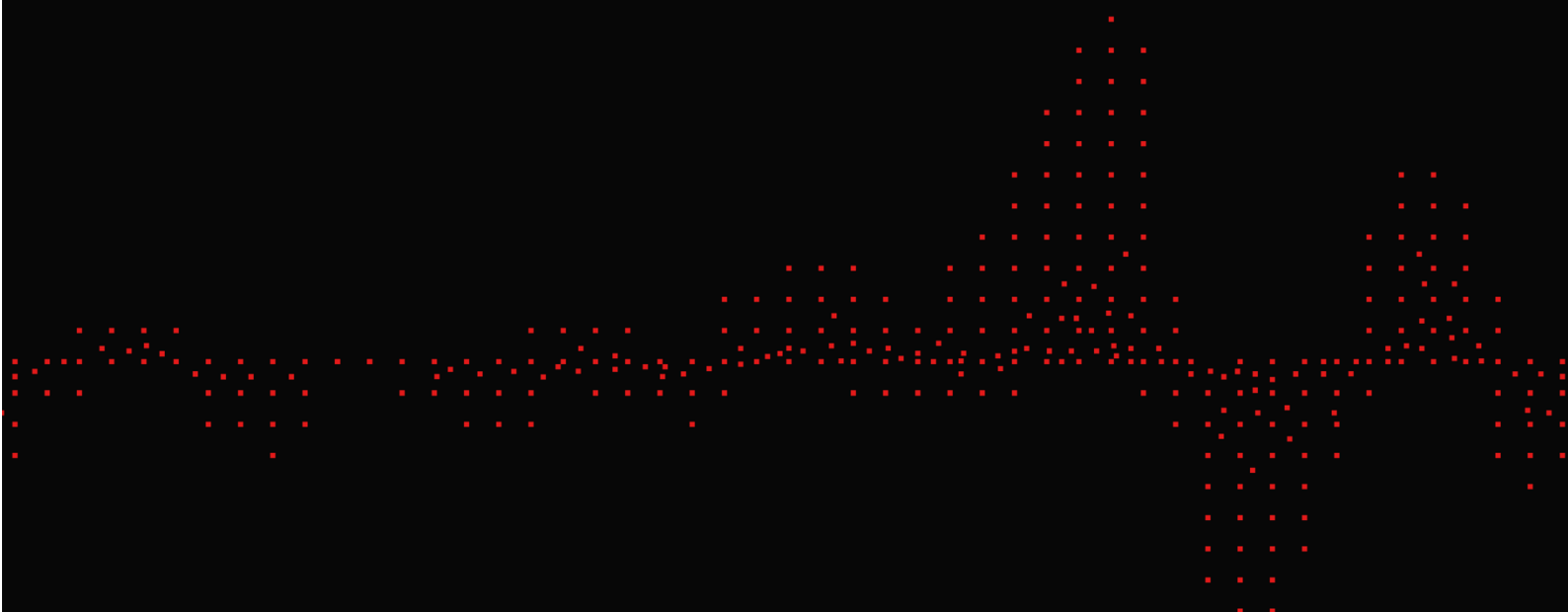




SAF Tehnika JSC

# Consolidated Interim Report for Q2 and 6 months of financial year 2025/2026

July 1, 2025 – December 31, 2025



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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 25 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 280 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.

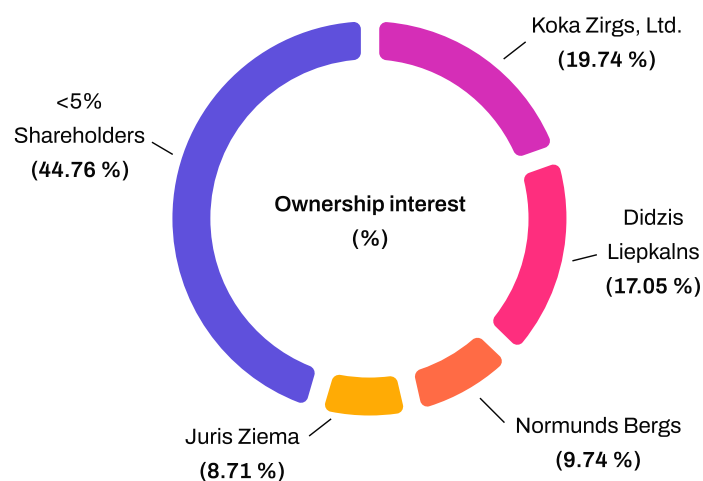
The company's activities are based on the concern for the highest quality, customer-focused business philosophy and openness.

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>	01.07.2026
<b>End of financial year:</b>	30.06.2026
<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 30.06.2025.



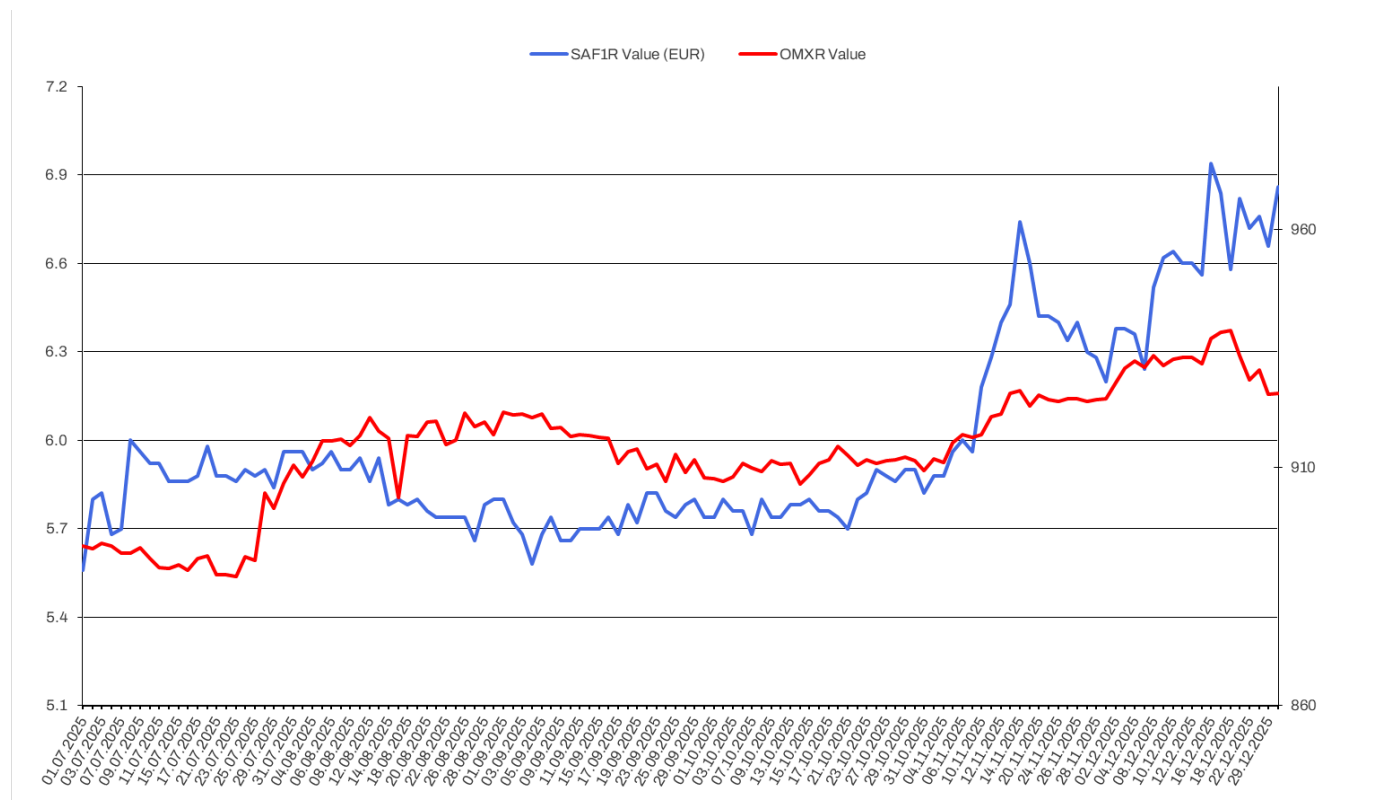
SAF Tehnika share price and OMX Riga index development for the reporting period

SAF Tehnika (SAF1R)

Period: July 1, 2025 – December 31, 2025

Currency: EUR

Marketplace: Nasdaq Riga



# Information on Management and Supervisory Board members

## SAF Tehnika Management Board

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

## SAF Tehnika Supervisory Board:

Name	Position	Ownership interest (%)
<b>Juris Ziema</b>	Chairman	owns 8.71% of shares
<b>Andrejs Grišāns</b>	Vice-Chairman	owns 1.95% of shares
<b>Ivars Šenbergs</b>	Member	owns 2 shares
<b>Aira Loite</b>	Member	owns 8000 shares
<b>Sanda Reiharde</b>	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 Ziema**, 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. Ziema worked as an engineer at the Institute of Electronic Engineering and Computer Sciences. Mr. Ziema 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, 2025 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, 2025.

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, United States of America and Singapore).

The interim financial statements have been prepared in Euro.



Zane Jozepa  
CFO, Member of the Management Board

# Management Report

The Group's unaudited consolidated net turnover for the second quarter (Q2) of fiscal year (FY) 2025/2026 was EUR 15.23 million, which is twice as much as in the second quarter of FY 2024/2025.

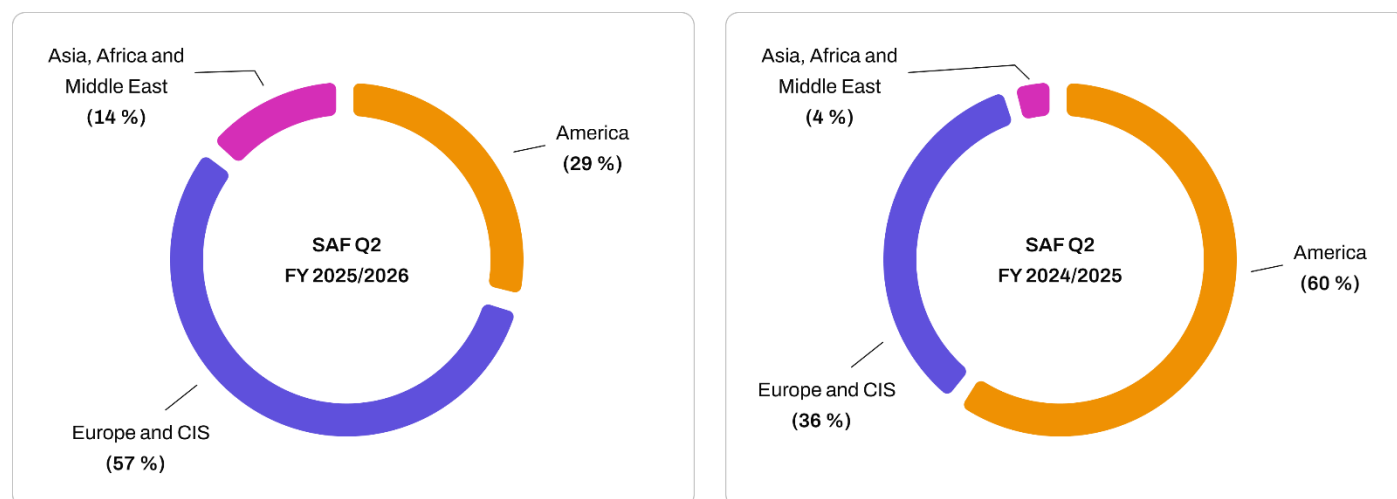
The turnover of the North and Latin American region amounted to EUR 4.5 million, representing 29% of total turnover. Compared to the same quarter of the previous fiscal year, turnover increased by 8%.

The turnover of the European region amounted to EUR 8.9 million, representing 57% of total turnover, which is 250% higher than in the second quarter of the previous fiscal year. The turnover of the Asia, Africa, and Middle East region increased sixfold compared to the corresponding quarter of the previous fiscal year and accounted for 14% of total quarterly turnover (or EUR 2.1 million).

As noted in previous reports, fluctuations in quarterly turnover are influenced by the execution of individual projects. Projects vary in size and complexity, and their implementation is affected both by the duration of the production process and by the availability and scheduling of material procurement. Consequently, the dispatch of goods and the recognition of revenue may also take place in subsequent quarters, depending on project completion timelines.

During the reporting quarter, SAF Tehnika established a subsidiary, SAF LATAM S.A.S., in Colombia, in which it holds a 51% shareholding. The company was created based on a long-standing partnership to ensure a direct presence in South America and to continue providing the region's customers with tailored wireless data transmission and sensor solutions, while further strengthening the Group's position in the region.

## Comparative charts of Q2 sales breakdown by region:

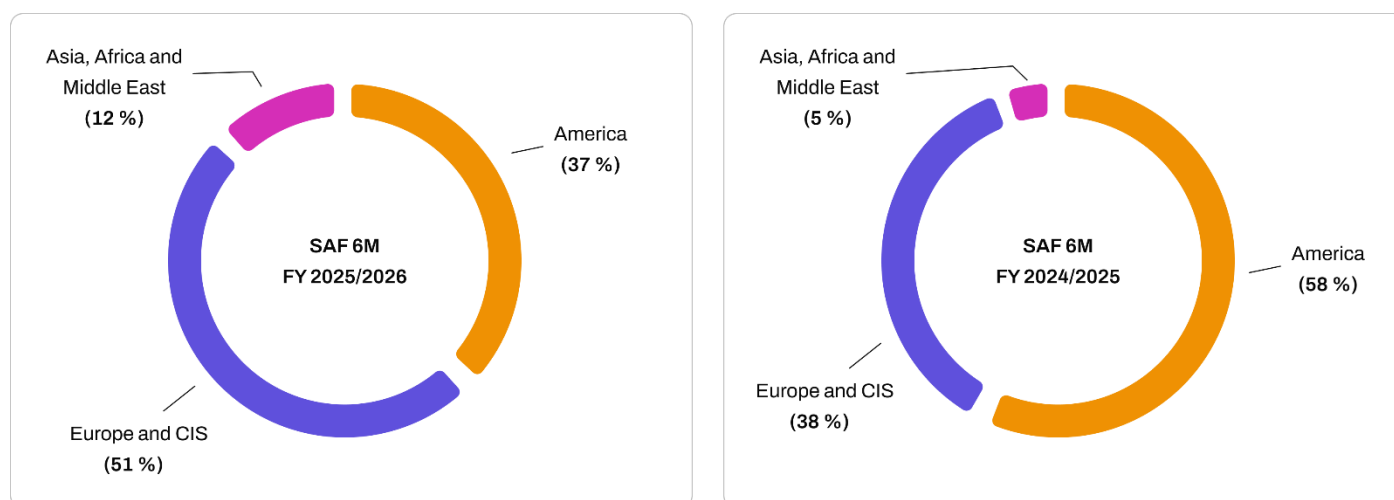


In the reporting quarter, the Group's products were sold in 70 countries.

The Group's unaudited consolidated turnover for the first six months of fiscal year 2025/2026 amounted to EUR 23.35 million, representing a 50% increase compared with the revenue recorded in the first half of the previous fiscal year.

During the six-month period, revenue from the North and Latin American region accounted for 37% of the Group's total turnover and amounted to EUR 8.55 million, representing a 5% decrease compared with the result for the first six months of the previous fiscal year. Revenue from European countries accounted for 51% of total turnover, increasing by 105% compared with the corresponding six-month period of the previous year and amounting to EUR 11.95 million. Revenue from the Asia, Africa, and Middle East region increased by 205%, accounting for 12% of the Group's total turnover.

### Comparative charts of six-month sales breakdown by region:



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

The Group closed the second quarter of FY 2025/2026 with an unaudited profit of EUR 2.74 million. In the second quarter of the previous fiscal year, the result was a profit of EUR 228 thousand.

The Group's unaudited consolidated result for the first six months of FY 2025/2026 was a profit of EUR 3.43 million. The Group's result for the first half of the previous FY 2024/2025 was a profit of EUR 1.04 million.

The Group's net cash flow for the 12 months of the fiscal year amounted to EUR 3.9 million. The Group's cash balance in the statement of financial position at the end of the period was EUR 8.7 million. Advances received from customers for goods amounted to EUR 5.7 million.

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

In the second quarter of FY 2025/2026, EUR 339 thousand were invested in the acquisition of fixed assets, primarily to support production and testing processes, as well as to purchase office equipment.

## Market Overview

During the quarter, there were no significant changes in the microwave radio market. In our view, no major or rapid developments in this market are expected in the near future. SAF Tehnika continues to work closely with its customers and partners with the aim of identifying and mitigating potential risks in a timely manner, as well as evaluating new development opportunities. The Group also continuously monitors changes in the global trade environment, including potential adjustments to US tariffs, as well as shifts in US government funding priorities that may affect the pace of project implementation in certain markets.

## 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 have a direct impact on the Group's operations, overall uncertainty in the business environment continues to persist. The Group continues to monitor potential cost increases and assess the associated risks. By regularly reviewing procurement volumes and timelines, the company continues to maintain material reserves to ensure that most orders can be fulfilled within short delivery lead times. This applies to all SAF product groups – microwave radios, spectrum analyzers, and Internet of Things (IoT) solutions.

The Group continues to actively research the market and identify key challenges, carrying out development activities to deliver necessary product modifications and create prototypes for next-generation technologies. At the same time, the Group is developing IoT segment solutions for both business and consumer markets, diversifying its product line, creating higher value-added offerings within SAF Tehnika's product portfolio, and supporting further growth in the Group's revenues.

The development of new products is closely linked to changes in manufacturing approaches and supply chain organization. In the defense segment, supply chain independence is particularly critical. Accordingly, the Group is purposefully investing in expanding production capacity in Latvia and strengthening internal competencies, increasing its ability to carry out a substantial portion of the process in-house.

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

As at 31 December 2025, the Group employed 282 employees, compared to 264 employees as at 31 December 2024.

# KEY indicators

	Q2 2025/26 EUR	Q2 2024/25 EUR	Q2 2023/24 EUR
Net Sales	15 525 049	7 043 600	8 923 848
Earnings before interest, taxes and depreciation (EBITDA)	3 497 409	446 717	994 438
<b>(EBITDA %)</b>	<b>23%</b>	<b>6%</b>	<b>11.1%</b>
Profit/loss before interest and taxes (EBIT)	3 060 386	33 172	607 657
<b>(EBIT %)</b>	<b>20%</b>	<b>0%</b>	<b>7%</b>
Net Profit	2 740 501	228 711	522 926
<b>Share of the turnover %</b>	<b>18%</b>	<b>3%</b>	<b>6%</b>
Total assets	31 599 557	23 591 877	27 455 694
Total Owners equity	19 185 566	17 484 644	17 846 920
<b>Return on assets (ROA) %</b>	<b>9.15%</b>	<b>0.96%</b>	<b>1.96%</b>
<b>Return on equity (ROE) %</b>	<b>15.38%</b>	<b>1.32%</b>	<b>3.05%</b>
Liquidity ratio			
<b>Quick ratio %</b>	<b>82%</b>	<b>99%</b>	<b>32%</b>
<b>Current ratio %</b>	<b>115%</b>	<b>156%</b>	<b>74%</b>
Earnings per share	0.92	0.08	0.18
Last share price at the end of period	6.86	5.20	7.00
<b>P/E</b>	<b>12.94</b>	<b>(40.00)</b>	<b>(18.42)</b>
Number of employees at the end of reporting period	282	264	276

# Consolidated Statement of Financial Position

	Note	31.12.2025	31.12.2024
CURRENT ASSETS		EUR	EUR
Cash and bank		8 726 945	4 021 657
Customer receivables	1		
Accounts receivable		3 160 003	1 911 022
Allowance for uncollectible receivables		(15 551)	(9 973)
<b>Total</b>		<b>3 144 452</b>	<b>1 901 049</b>
Short-term loans		0	300 000
Other current receivables	2	376 795	118 964
<b>Total</b>		<b>376 795</b>	<b>418 964</b>
Prepaid expenses			
Prepaid taxes		301 533	51 059
Other prepaid expenses		291 520	277 623
<b>Total</b>		<b>593 053</b>	<b>328 682</b>
Inventories	3		
Raw materials		2 343 470	2 373 175
Work-in-progress		4 573 909	3 350 892
Finished goods		6 729 194	6 030 656
Prepayments to suppliers		153 027	71 753
<b>Total</b>		<b>13 799 600</b>	<b>11 826 476</b>
<b>TOTAL CURRENT ASSETS</b>		<b>26 640 845</b>	<b>18 496 828</b>
NON-CURRENT ASSETS			
Long-term financial assets			
Investments in other companies		273 198	209 183
Deferred income tax		162 635	169 833
Long-term loans		6 100	7 338
<b>Total</b>		<b>441 933</b>	<b>386 354</b>
NON-CURRENT physical assets	4		
Plant and equipment		6 238 166	5 785 668
Other equipment and fixtures		4 004 139	3 790 791
Accumulated depreciation		(7 770 087)	(6 838 088)
Prepayments for noncurrent physical assets		5 589	13 475
Unfinished renovation works		115 202	26 940
Long-term investment - lease		1 274 758	1 394 400
<b>Total</b>		<b>3 867 766</b>	<b>4 173 186</b>
Intangible assets	4		
Purchased licenses, trademarks etc.		600 769	505 229
Other long-term intangible assets		48 243	30 281
<b>Total</b>		<b>649 012</b>	<b>535 510</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4 958 712</b>	<b>5 095 049</b>
<b>TOTAL ASSETS</b>		<b>31 599 557</b>	<b>23 591 877</b>

<b>LIABILITIES AND OWNERS' EQUITY</b>	<b>Note</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
<b>CURRENT LIABILITIES</b>		<b>EUR</b>	<b>EUR</b>
<b>Debt obligations</b>			
Short-term loans from financial institutions	<b>5</b>	19 128	0
Customer prepayments for goods and services		5 671 114	144 234
Accounts payable		1 424 646	765 953
Accrued short-term operating lease liabilities	<b>6</b>	362 894	352 372
Tax liabilities		587 647	434 422
Salary-related accrued expenses	<b>7</b>	1 968 751	1 729 471
Provisions for guarantees		46 123	55 658
Deferred income		565 355	580 559
<b>TOTAL CURRENT LIABILITIES</b>		<b>10 645 657</b>	<b>4 062 668</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term liabilities			
Long-term deferred income		662 607	862 835
Accrue long-term operating lease liabilities	<b>6</b>	1 105 726	1 181 730
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>1 768 333</b>	<b>2 044 565</b>
<b>TOTAL LIABILITIES</b>		<b>12 413 990</b>	<b>6 107 234</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		8 736 234	9 378 876
Net profit for the financial year		3 433 057	1 042 612
Currency translation reserve		(2 233)	44 647
<b>TOTAL OWNERS' EQUITY</b>		<b>19 185 566</b>	<b>17 484 643</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>31 599 557</b>	<b>23 591 877</b>

# Consolidated Statement of Profit or Loss for 6 months of the financial year 2025/2026

	Note	31.12.2025	31.12.2024
		EUR	EUR
Net sales	8	23 351 734	15 572 970
Other operating income		274 788	185 877
<b>Total income</b>		<b>23 626 522</b>	<b>15 758 847</b>
Direct cost of goods sold or services rendered		(9 509 105)	(5 626 781)
Marketing, advertising and public relations expenses		(849 515)	(847 437)
Bad receivables	10	4 666	6 217
Operating expenses		(1 070 855)	(1 065 668)
Salaries and social expenses	11	(5 516 591)	(5 173 141)
Bonuses and social expenses	11	(1 998 293)	(1 284 263)
Depreciation expense		(656 082)	(621 727)
Amortization of operating lease		(197 133)	(194 383)
Other expenses		(9 760)	(18 155)
<b>Operating expenses</b>		<b>(19 802 667)</b>	<b>(14 825 339)</b>
<b>EBIT</b>		<b>3 823 854</b>	<b>933 508</b>
Financial income (except ForEx rate difference)		7 965	20 458
Financial costs (except ForEx rate difference)		(35 793)	(32 366)
Foreign exchange +gain/(loss)		(36 379)	121 012
<b>Financial items</b>		<b>(64 207)</b>	<b>109 104</b>
Loss on sale of long-term investment		(201 898)	0
Share of profit/(loss) of equity-accounted investees		(34 087)	0
<b>EBT</b>		<b>3 523 662</b>	<b>1 042 612</b>
Corporate income tax		(90 606)	0
<b>Profit after taxes</b>		<b>3 433 057</b>	<b>1 042 612</b>
<b>Net profit/(loss)</b>		<b>3 433 057</b>	<b>1 042 612</b>

\*Earnings per share

EPS 31.12.2025. (1.16) EUR

EPS 31.12.2024. (0.35) EUR

# Consolidated Statement of Profit or Loss for Q2 of the financial year 2025/2026

	31.12.2025	31.12.2024
	EUR	EUR
Net sales	15 525 049	7 043 600
Other operating income	16 867	140 785
<b>Total income</b>	<b>15 541 916</b>	<b>7 184 385</b>
Direct cost of goods sold or services rendered	(6 333 238)	(2 631 432)
Marketing, advertising and public relations expenses	(538 165)	(507 671)
Bad receivables	2 026	(7 396)
Operating expenses	(591 545)	(553 074)
Salaries and social expenses	(2 894 876)	(2 742 677)
Bonuses and social expenses	(1 691 604)	(297 653)
Depreciation expense	(338 430)	(316 187)
Amortization of operating lease	(98 593)	(97 358)
Other expenses	2 895	2 235
<b>Operating expenses</b>	<b>(12 481 530)</b>	<b>(7 151 213)</b>
<b>EBIT</b>	<b>3 060 386</b>	<b>33 172</b>
Financial income (except ForEx rate difference)	4 523	15 806
Financial costs (except ForEx rate difference)	(17 002)	(15 515)
Foreign exchange +gain/(loss)	(34 973)	195 248
<b>Financial items</b>	<b>(47 452)</b>	<b>195 539</b>
Loss on sale of long-term investment	(201 898)	0
Share of profit/(loss) of equity-accounted investees	(24 570)	0
<b>EBT</b>	<b>2 786 466</b>	<b>228 711</b>
Corporate income tax	(45 965)	0
<b>Profit after taxes</b>	<b>2 740 501</b>	<b>228 711</b>
<b>Net profit/(loss)</b>	<b>2 740 501</b>	<b>228 711</b>

\*Earnings per share

EPS 31.12.2025. (0.92) EUR

EPS 31.12.2024. = (0.08) EUR

# Consolidated cash flow statement for 6 months of the financial year 2025/2026

	31.12.2025	31.12.2024
	EUR	EUR
<b>CASH GENERATED FROM OPERATIONS (of which)</b>	<b>4 750 060</b>	<b>2 052 975</b>
Cash received from customers	24 073 244	15 456 817
Cash paid to suppliers and employees	(19 521 129)	(13 589 647)
Paid/Received VAT	197 945	185 805
<b>NET CASH USED IN INVESTING ACTIVITIES (of which)</b>	<b>(1 113 610)</b>	<b>(399 679)</b>
Cash paid for purchasing shares in subsidiary	(300 000)	145
Cash paid for purchasing non-current physical assets	(821 017)	(414 955)
Interest received	7 407	15 131
<b>NET CASH USED IN FINANCING ACTIVITIES (of which)</b>	<b>247 799</b>	<b>284 857</b>
Repayment of short-term loans	19 128	(325 939)
Paid interest	(2 063)	(1 368)
Cash received from EU funds	230 734	612 164
<b>Effects of exchange rate changes</b>	<b>30 494</b>	<b>(129 693)</b>
<b>TOTAL CASH FLOW:</b>	<b>3 914 743</b>	<b>1 808 460</b>
Cash and cash equivalents as at the beginning of period	4 812 202	2 213 197
Cash and cash equivalents as at the end of period	8 726 945	4 021 657
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3 914 743</b>	<b>1 808 460</b>

# Statement of changes in consolidated equity for the 6 month period ended December 31, 2025

	Share capital EUR	Share premium EUR	Other reserves EUR	Currency translation reserve EUR	Retained earnings EUR	Total EUR
<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	-	-	-	(35 429)	-	(35 429)
Loss for the year	-	-	-	-	(642 642)	(642 642)
<b>As at 30 June 2025</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	<b>3 138</b>	<b>8 736 234</b>	<b>15 757 880</b>
Currency translation difference	-	-	-	(5 371)	-	(34 407)
Profit for the year	-	-	-	-	3 433 057	3 433 057
<b>As at 31 December 2025</b>	<b>4 158 252</b>	<b>2 851 726</b>	<b>8 530</b>	<b>(2 233)</b>	<b>12 169 291</b>	<b>19 185 566</b>

# Notes for interim report

## Note 1: Customer receivables

	31.12.2025 EUR	31.12.2024 EUR
Accounts receivable	3 160 003	1 911 022
Provisions for bad and doubtful accounts receivable	(15 551)	(9 973)
<b>Total receivables</b>	<b>3 144 452</b>	<b>1 901 049</b>

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

## Note 2: Other current receivables

	31.12.2025 EUR	31.12.2024 EUR
<b>Other current receivables</b>	<b>376 795</b>	<b>118 964</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

	31.12.2025 EUR	31.12.2024 EUR
Raw materials	5 798 042	7 083 438
Allowance for slow-moving items	(3 454 572)	(4 710 263)
Work-in-progress	4 573 909	3 350 892
Finished goods	6 729 194	6 030 656
Prepayments to suppliers	153 027	71 753
<b>Total Inventories</b>	<b>13 799 600</b>	<b>11 826 476</b>

Compared to December 31, 2024, total inventory volumes increased by 16%.

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: Investments in other companies

	31.12.2025 EUR	31.12.2024 EUR
<b>Investments in other companies</b>	<b>273 198</b>	<b>209 183</b>

Group holds an investment in SIA "PLUFF". The company's line of business is the production of plastic injection-moulded products and the provision of milling services. In accordance with the signed share capital agreement, SAF Tehnika acquired 300 shares, representing 30% of the company's share capital. The total investment amounted to EUR 300 thousand.

#### Note 5: Non-current, intangible assets

	31.12.2025 EUR	31.12.2024 EUR
Plant and equipment	6 238 166	5 785 668
Other equipment and fixtures	4 004 139	3 790 791
Accumulated depreciation	(7 770 087)	(6 838 088)
Prepayments for noncurrent physical assets	5 589	13 475
Unfinished renovation works	115 202	26 940
Long-term investment lease*	1 274 758	1 394 400
<b>Total</b>	<b>3 867 766</b>	<b>4 173 186</b>
Purchased licenses, trademarks etc.	600 769	505 229
Other long-term intangible assets	48 243	30 281
<b>Total</b>	<b>649 012</b>	<b>535 510</b>
<b>Total non-current, intangible assets</b>	<b>4 516 779</b>	<b>4 708 696</b>

\*See Note 6 Operating lease liabilities

During Q2, the Group acquired fixed assets and intangible assets in the amount of 339 thousand euros – mainly, in order to ensure production and testing processes, as well as to acquire office equipment.

**Note 6: Short-term loans from financial institutions**

	31.12.2025	31.12.2024
	EUR	EUR
Short-term loans from financial institutions	19 128	0

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 7: Operating lease liabilities**

	31.12.2025	31.12.2024
	EUR	EUR
Accrued short-term operating lease liabilities	362 894	352 372
Accrued long-term operating lease liabilities	1 105 726	1 181 730
	<b>1 468 619</b>	<b>1 534 102</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 8: Salary-related accrued expenses**

	31.12.2025	31.12.2024
	EUR	EUR
Salary-related accrued expenses	1 968 751	1 729 471

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

## Note 9: 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).
    - a. **CFIP** – product line is represented by:
      - i. Phoenix, a split mount (IDU+ODU) Phoenix hybrid radio system with Gigabit Ethernet and 20E1 interfaces;
      - ii. Lumina high capacity Full Outdoor all-in-one radio with Gigabit Ethernet traffic interface;
      - iii. Marathon FIDU low frequency low capacity system for industrial applications, energy companies and rural telecom use.
      - iv. 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.
    - b. **Integra** – is a next generation radio system employing latest modem technology on the market as well as radio technology in an innovative packaging.
    - c. **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.
    - d. **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 2025/26 and financial year 2024/25.

	CFIP, Integra, Spectrum, Compact, Aranet		Other		Total	
	2025/26 EUR	2024/25 EUR	2025/26 EUR	2024/25 EUR	2025/26 EUR	2024/25 EUR
Segment assets	17 091 297	13 985 401	1 105 059	816 609	18 196 356	14 802 010
Undivided assets					13 403 201	8 789 867
<b>Total assets</b>					<b>31 599 557</b>	<b>23 591 877</b>
Segment liabilities	7 277 240	1 488 479	244 363	49 267	7 521 603	1 537 746
Undivided liabilities					4 892 387	4 569 488
<b>Total liabilities</b>					<b>12 413 990</b>	<b>6 107 234</b>
<b>Net sales</b>	<b>21 786 303</b>	<b>13 959 928</b>	<b>1 565 431</b>	<b>1 613 042</b>	<b>23 351 734</b>	<b>15 572 970</b>
<b>Segment results</b>	<b>8 868 101</b>	<b>5 513 101</b>	<b>1 872 187</b>	<b>1 944 745</b>	<b>10 740 288</b>	<b>7 457 846</b>
Undivided expenses					(7 191 220)	(6 710 215)
<b>Profit from operations</b>					<b>3 549 068</b>	<b>747 631</b>
Other income					274 788	185 877
Financial income (except ForEx rate difference)					7 965	20 458
Financial costs (except ForEx rate difference)					(35 793)	(32 366)
Foreign exchange +gain/(loss)					(36 379)	121 012
<b>Financial items</b>					<b>(64 207)</b>	<b>109 105</b>
Share of profit/(loss) of equity-accounted investees					(34 087)	0
Loss on sale of long- term investment					(201 898)	0
<b>Profit before taxes</b>					<b>3 523 662</b>	<b>1 042 612</b>
Corporate income tax					(90 606)	0
<b>Profit after taxes</b>					<b>3 433 057</b>	<b>1 042 612</b>
<b>Net profit</b>					<b>3 433 057</b>	<b>1 042 612</b>
<b>Other information</b>						
Additions of property plant and equipment and intangible assets	114 294	85 778	-	-	114 294	85 778
Undivided additions					582 543	290 368
<b>Total additions of property plant and equipment and intangible assets</b>					<b>696 837</b>	<b>376 146</b>
Depreciation and amortization	413 328	380 623	-	-	413 328	380 623
Undivided depreciation					439 886	435 487
<b>Total depreciation and amortization</b>					<b>853 214</b>	<b>816 110</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 2025/26 compared to the same period of financial year 2024/25.

	Net Sales		Assets	
	2025/2026 EUR	2024/2025 EUR	31.12.2025 EUR	31.12.2024 EUR
Americas	8 545 823	8 958 357	2 491 207	1 430 313
Europe, CIS	11 984 699	5 853 468	539 515	432 250
Asia, Africa, Middle East	2 821 212	761 145	113 729	38 486
<b>Subtotal</b>	<b>23 351 734</b>	<b>15 572 970</b>	<b>3 144 452</b>	<b>1 901 049</b>
Unallocatted assets	-		28 455 105	21 690 828
<b>Total</b>	<b>23 351 734</b>	<b>15 572 970</b>	<b>31 599 557</b>	<b>23 591 877</b>

#### Note 10: Bad receivables

	31.12.2025 EUR	31.12.2024 EUR
<b>Bad receivables</b>	<b>4 666</b>	<b>6 217</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 11: Salaries, bonuses and social expenses

	31.12.2025 EUR	31.12.2024 EUR
Salaries and social expenses	(5 516 591)	(5 173 141)
Bonuses and social expenses	(1 998 293)	(1 284 263)
<b>Total</b>	<b>(7 514 884)</b>	<b>(6 457 404)</b>

Compared to the six months of the previous 2024/2025 financial year, the amount of wages, bonuses and related social costs has increased by 16%.