



CONSOLIDATED UNAUDITED INTERIM REPORT FOR THE I QUARTER AND 3 MONTHS OF 2025

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Auditor:

AS PricewaterhouseCoopers

Financial year:

1 January – 31 December 2025

Reporting period:

1 January – 31 March 2025



Electrifying **Tomorrow**

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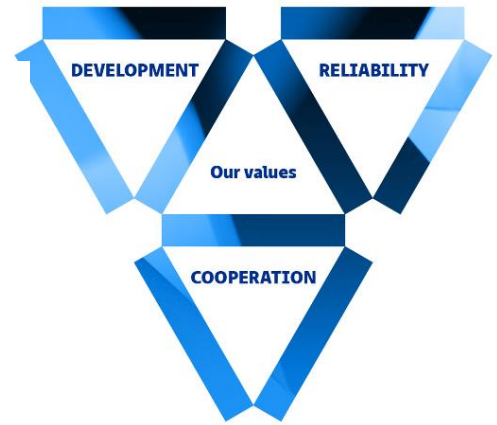
HARJU ELEKTER GROUP

Who we are

Harju Elekter is an international industrial group with extensive experience in providing future proof solutions for electrical power distribution. Harju Elekter Group has its roots and head office in Estonia, and production plants in four countries: Estonia, Finland, Sweden and Lithuania.

What we do

Harju Elekter contributes to a sustainable society by providing future-proof electrical power distribution solutions. We engineer, manufacture, and install electrification solutions for utilities, industries, infrastructure, public and commercial buildings.

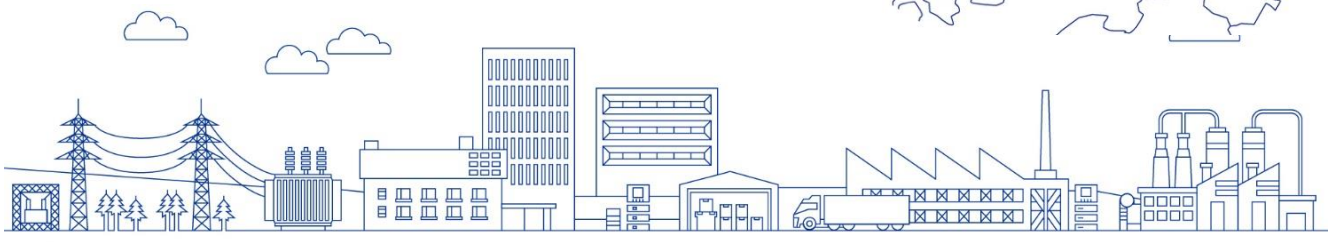


AS HARJU ELEKTER GROUP

The Parent company of the Group coordinates co-operation within the Group’s companies and manages the development and holdings of industrial real estate. AS Harju Elekter Group's share in its subsidiaries is 100%

ESTONIA	FINLAND	SWEDEN	LITHUANIA
<p>AS HARJU ELEKTER Manufacturer of electrical equipment for energy distribution, industrial and construction sectors; also producer of customer-based sheet metal products for the electrical engineering and telecom sector, located in Keila</p> <p>ENERGO VERITAS OÜ Active economic activity suspended</p>	<p>HARJU ELEKTER OY Manufacturer of electrical equipment for energy, industry, and infrastructure sectors, located in Ulvila, Kerava and in Kurikka</p> <p>TELESILTA OY Electrical engineering company specializing in electrical contracting for the ship-building industry, located in Uusikaupunki</p> <p>HARJU ELEKTER KIINTEISTÖT OY Industrial real estate holding company in Finland</p>	<p>HARJU ELEKTER AB Engineering company for MV/LV power and distribution solutions for the construction, infrastructure, and renewable energy sector; manufacturer of prefabricated technical houses located in Västerås</p> <p>HARJU ELEKTER SERVICES AB Industrial real estate holding company in Sweden</p>	<p>HARJU ELEKTER UAB Engineering and contract manufacturing of multidrive, MCC’s and distribution systems, located in Panevežys</p>

ESTONIA	FINLAND
<p>OÜ SKELETON TECHNOLOGIES GROUP (5.45%) Developer and manufacturer of ultra-capacitors</p>	<p>IGL-TECHNOLOGIES OY (10%) Developer of parking & e-mobility solutions for electric car chargers</p>

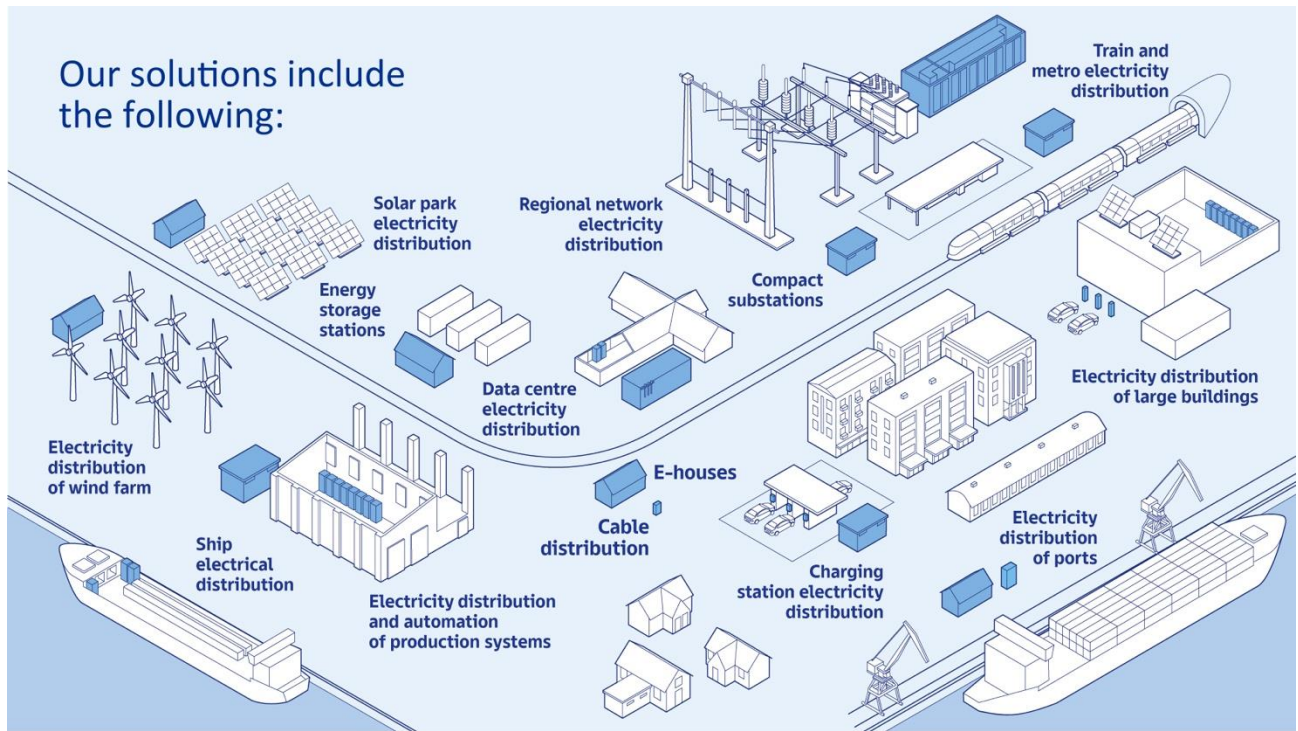


The Harju Elekter Group operates in two main areas, which are presented as separate segments.

PRODUCTION — designing, selling, manufacturing, and after-sales servicing of power distribution, switching and converting devices and automation, process control and industrial control equipment.

REAL ESTATE — developing of industrial real estate, project management, renting and the accompanying services to rental partners and to the Harju Elekter Group companies.

Other activities include the management of financial investments, electrical installation works in shipbuilding, and the retail and project sales of electrical goods.



MANAGEMENT REPORT

COMMENTARY FROM THE MANAGEMENT

Harju Elekter's revenue for the first quarter was 37.4 million euros, which is 20% less than in the same period last year. At the same time, operating profit was 2.8 million euros, which is 186% more than in the comparable period. The improvement in operating profit was driven by a number of targeted actions to improve low season profitability, including lower than usual labour costs in the first quarter.

At the same time, net profit was 2.6 million euros, which is 630% more than in the comparable period. The result was impacted significantly by the notable change in the EUR/SEK exchange rate towards the stronger Swedish krona and the resulting revaluation of receivables and liabilities.

Although the Group's financial results showed signs of improvement, the economic environment is once again full of challenges. This will be influenced by internal political developments in the countries in which we operate, as well as by the overall transformation of world politics. Controversial news from the United States and frequent changes of direction increase customer uncertainty, resulting in many orders being delayed or temporarily put on hold. The Baltic and Scandinavian economies have not yet returned to stable growth, while the tax burden is increasing, and wages are rising.

Despite the turbulent times, we are going into the peak season with a strong order book. Restructuring and organisational changes in recent years have helped to set the cost base, both in terms of overhead and labour costs, in line with expected volumes, while at the same time striving to maintain competence in low seasons.

2025 has the potential to be a strong financial year, which in turn will enable the continuation of the development strategy and support sustainable growth in the coming periods.

SUMMARY OF THE FIRST QUARTER AND 3 MONTH RESULTS

Revenue and financial results

Harju Elekter earned revenue of 37.4 (Q1 2024: 46.8) million euros in the reporting quarter, which is 20.0% less than in the previous year. Despite the decline in revenue, profitability increased significantly. The gross profit for the first quarter was 5.7 (Q1 2024: 4.8) million euros, with a gross profit margin of 15.1% (Q1 2024: 10.3%). Operating profit (EBIT) was 2.8 (Q1 2024: 1.0) million euros, and the operating margin was 7.5% (Q1 2024: 2.1%). Net profit for the first quarter was 2.6 (Q1 2024: 0.4) million euros. Earnings per share for the first quarter were 0.14 (Q1 2024: 0.02) euros.

Investments

Group invested a total of 0.8 (Q1 2024: 0.7) million euros in non-current assets during the reporting period, including 0.1 (Q1 2024: 0.4) million euros in investment properties, 0.3 (Q1 2024: 0.1) million euros in property, plant, and equipment, and 0.4 (Q1 2024: 0.2) million euros in intangible fixed assets. Investments included the acquisition of production technology assets and the development of production and process management systems. Investments also included product development.

The value of the Group's long-term financial investments was 27.7 (31.12.24: 27.7) million euros as of the reporting date. During the reporting quarter, the fair value of remaining securities decreased by 5 thousand euros and proceeds from the sale of listed securities amounted to 17 thousand euros.

Current assets

The Group's current assets increased by 14.2 million euros in the first three months, reaching 69.5 million euros. The cash balance decreased by 2.2 million euros, trade and other receivables increased by 8.7 million euros, reaching 38.4 million euros, and inventories increased by 7.5 million euros, reaching 27.3 million euros. During the reporting quarter, the balance of materials, components, and work-in-progress increased, while the balance of finished goods decreased. Compared to the previous year, the total inventory balance decreased by 24%, or by 18.3 million euros.

Liabilities

As of the reporting date, the Group had total liabilities of 75.0 (31.12.24: 62.7 and 31.03.24: 97.3) million euros, of which the current liabilities accounted for 73% (31.12.24: 68%). Current liabilities decreased by 19.3 million euros over the year but increased by 12.4 million euros in the first quarter, mainly due to seasonality. Among the current liabilities, borrowings increased by 0.7 million euros, prepayments from customers by 1.6 million euros, trade payables and other payables by 9.2 million euros, and tax liabilities decreased by 0.6 million euros.

The total amount of non-current liabilities was 20.2 million euros as of the reporting date, remaining at the same level compared to the end of the previous year and 3.0 million euros less compared to the same period last year. Current and non-current borrowings were divided at the end of the period as follows: 10.5 (31.12.24: 9.8) and 20.2 (31.12.24: 20.2) million euros. Long-term loans and leases were used to finance real estate investments and the construction of the Group's production facilities and automated production equipment.

Cash Flows

In the first quarter, the company's operating cash flow amounted to -1.7 (Q1 2024: -2.1) million euros. As in previous years, the first quarter was characterized by low revenue, a usual seasonal pattern resulting from the business model. During the quarter, funds were allocated to production preparation and inventory replenishment to ensure readiness for the upcoming sales season. This resulted in a temporary outflow of cash related to the increased volume of activity.

Cash flows from investing activities amounted to -0.9 (Q1 2024: -0.9) million euros, remaining at the same level as the previous year. Investments were distributed as follows: 0.2 million euros in investment properties, 0.3 million euros in property, plant, and equipment, and 0.3 million euros in intangible assets.

Cash flows from financing activities were mainly influenced by the increase in the use of overdrafts and loan and lease payments. The overdraft balance increased by 2.0 million euros, while long-term loans were repaid by 0.8 million euros, and factoring liabilities decreased by 0.6 million euros. Cash flows from financing activities totaled 0.5 (Q1 2024: 2.9) million euros in the quarter, with a larger increase in loan balance reflected in the previous year.

Overall, more funds were allocated to support operational volumes, resulting in cash flows for the first quarter amounting to -2.0 (Q1 2024: -0.1) million euros.

Harju Elekter's risks are divided into



Environment



Employees



Business ethics



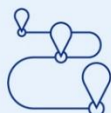
Regulations and
legislation



Information
technology



Emergencies



Supply chain



Financial risks



Corporate
governance

SUPERVISORY, AUDIT COMMITTEE AND MANAGEMENT BOARDS

The Supervisory Board of AS Harju Elekter Group has six members with the following membership: Triinu Tombak (financial consultant, Managing Director of TH Consulting OÜ), Andres Toome (consultant, Managing Director of OÜ Tradematic), Aare Kirsme (Member of the Supervisory Board of AS Harju KEK), Arvi Hamburg (Member of the Estonian Association of Engineers and Committee of Energy of the Academy of Sciences), Märt Luuk (Member of the Supervisory Board of AS Harju KEK) and Risto Vahimets (Ellex Raidla Advokaadibüroo OÜ, Head of M&A, partner). The Chairman of the Supervisory Board is Triinu Tombak.

Management Board of AS Harju Elekter Group had five members as of the reporting date: Mr. Tiit Atso (Chairman of the Board), Mr. Aron Kuhi-Thalfeldt (Head of the Real Estate and Energy Division) and Mr. Priit Treial (Chief Financial Officer), Erko Lepa (manufacturing and supply chain) and Tiit Luman (sales, marketing and product management).

Information about the education and career of the members of the management and Supervisory Boards as well as their membership in the management bodies of companies and their shareholdings have been published on the home page of the company at <http://www.harjuelekter.com//company/governing-bodies/>.

CHANGES IN THE STRUCTURE OF THE GROUP

Changes in the management

As of January 1, 2025, the Management Board of AS Harju Elekter Group will consist of:

- Tiit Atso – chairman of the management board
- Priit Treial – financial management
- Aron Kuhi-Thalfeldt – real estate
- Erko Lepa – manufacturing and supply chain
- Tiit Luman – sales, marketing and product management

The expansion of the Management Board will provide a solid basis for the implementation of the strategic objectives during the period 2025–2027 and reflects the Group’s growth ambitions and focus on even more efficient production and sales. The Supervisory Board of AS Harju Elekter Group is convinced that the new Management Board will contribute to increasing the Group’s competitiveness and achieving a strong market position in both domestic and foreign markets. Information about the education and career of the members of the Management Boards as well as their membership in the management bodies of companies and the number of AS Harju Elekter Group shares they own has been published on the home page of the company at <http://www.harjuelekter.com//company/governing-bodies/>.

MAIN EVENTS

President Alar Karis visited the company

In March, an Estonian manufacturing company hosted the President of the Republic of Estonia, Alar Karis, who was introduced to the company’s innovative power distribution solutions. The visit focused on the role of entrepreneurship and innovation in the region’s economy, as well as the future of education and the importance of civil protection and community cooperation.



EVENTS AFTER THE REPORTING DATE

Disposal of holding in the Finnish electric car charging software company IGL

Harju Elekter OY, a subsidiary of AS Harju Elekter Group signed a contract to dispose its 9.15% holding in IGL-Technologies Oy, a leading Finnish developer of parking and e-mobility solutions and operator of parking and charging systems. The sale of the holding is in line with Harju Elekter’s strategy to focus more on product development and innovation, including the development of its next-generation charger series. Harju Elekter and IGL will continue their partnership after the transaction.

OPERATING RESULTS

Revenue

Revenue by business activities (EUR'000)	3M 2025	3M 2024	+/-	% 3M 2025	% 3M 2024
Electrical equipment	34,094	43,472	-21.6%	91.1%	93.0%
Lease income	1,162	1,136	2.3%	3.1%	2.4%
Electrical works	1,445	1,050	37.6%	3.9%	2.2%
Other services	726	1,117	-35.0%	1.9%	2.4%
Total	37,427	46,775	-20.0%	100.0%	100.0%

The Group's revenue for the first quarter of 2025 was 37.4 million euros, which is 20% less than the previous year. Although the decline is noticeable compared to the years of record sales volumes, the revenue remained at a similar level considering seasonality as before the period of exceptional results. The revenue from the sale of electrical equipment amounted to 34.1 million euros in the quarter, or 91.1% of total revenue, decreasing by 21.6% compared to the same period last year. The main product and service groups continued to be substations, low-voltage distribution equipment, technical buildings, and subcontracting and engineering services. The decrease in revenue was primarily influenced by the decline in demand in target markets, characterized by the postponement of orders and customers' caution to make investment decisions.

The rental income of the real estate segment remained stable, amounting to 1.2 (Q1 2024: 1.1%) million euros in the quarter, accounting for 3.1% (Q1 2024: 2.4%) of the Group's total revenue. The field of electrical works in shipbuilding had a moderately positive impact on total revenue, with revenue increasing by 37.6% in the quarterly comparison to 1.4 million euros. The share of this activity in the total revenue of the quarter increased by 1.7 percentage points year-on-year, reaching 3.9%.

Revenue by segment (EUR'000)	3M 2025	3M 2024	+/-	% 3M 2025	% 3M 2024
Production	34,547	44,404	-22.2%	92.3%	94.9%
Real Estate	1,434	1,321	8.6%	3.8%	2.8%
Other activities	1,446	1,050	37.7%	3.9%	2.3%
Total	37,427	46,775	-20.0%	100.0%	100.0%

By segments, the revenue decreased the most in the production segment, where revenue fell by 22.2% compared to the first quarter of the previous year, reaching 34.5 million euros in the reporting quarter. The segment accounted for 92.3% of the Group's total revenue. The decline was mainly influenced by seasonality and reduced demand. The overall uncertainty in the production sector was exacerbated by the instability of the global economic environment –supply chain vulnerabilities, and new tariff measures announced by the USA have increased pressure on international trade and investment activity.

The revenue of the real estate segment grew slightly in the quarterly comparison, reaching 1.4 (Q1 2024: 1.3) million euros in the reporting quarter, accounting for 3.8% (Q1 2024: 2.8%) of the Group's total revenue. The Group's real estate unit is engaged in development, project management, leasing, and provision of related services for industrial real estate.

The revenue from other activities increased by 0.4 million euros year-on-year, reaching 1.4 million euros, mainly driven by the increase in the volume of electrical works. These activities accounted for 3.9% of the total revenue for the quarter.

Revenue by markets (EUR'000)	3M 2025	3M 2024	+/-	% 3M 2025	% 3M 2024
Estonia	4,800	4,469	7.4%	12.8%	9.6%
Finland	12,879	16,978	-24.1%	34.4%	36.3%
Sweden	4,934	6,901	-28.5%	13.2%	14.8%
Norway	6,885	9,325	-26.2%	18.4%	19.9%
Germany	6,520	2,223	193.3%	17.4%	4.8%
Netherlands	820	1,044	-21.5%	2.2%	2.2%
Other	589	5,835	-89.9%	1.6%	12.4%
Total	37,427	46,775	-20.0%	100.0%	100.0%

The Group's revenue for the first quarter of 2025 by markets reflected the overall downward trend in most key markets compared to the same period in 2024. The Group's four largest target markets – Estonia, Finland, Sweden, and Norway – accounted for a total of 79% of the total quarterly revenue, which is 2 percentage points less than a year earlier. Revenue grew only in Estonia among the main markets, while other countries showed a decline, reflecting the broader economic environment and a slowdown in customer investment activity.

In Estonia, revenue reached 4.8 (Q1 2024: 4.5) million euros, growing by 7.4% and accounting for 12.8% (Q1 2024: 9.6%) of the Group's total quarterly revenue. Sales were supported by an increase in orders for compact substations from electricity distribution network customers. Rental income in the real estate segment remained at the same level as the previous year.

The Finnish market continued to be the largest for the Group in the quarter, despite revenues decreasing by 24.1% to 12.9 (Q1 2024: 17.0) million euros. The main reason for the decline was the decrease in the sale of compact substations and the decline in contractual manufacturing volumes.

Revenue in the Norwegian market fell to 6.9 (Q1 2024: 9.3) million euros, decreasing by 26.2% compared to the previous year. The decline was mainly due to the high comparison base from the previous year, when Norwegian revenue was significantly higher. The market downturn also contributed to the decline, resulting in smaller contractual manufacturing new order volumes in 2024 for 2025. Norway's share of the Group's total revenue decreased to 18.4% (Q1 2024: 19.9%).

Revenue in the Swedish market decreased by 28.5%, reaching 4.9 (Q1 2024: 6.9) million euros, which was similar to the level of the fourth quarter of 2024. The decline was influenced by a business model change, where the offering of EPC (Turnkey solutions) projects was discontinued. Now focusing on factory-made solutions, sales volume is temporarily smaller, but the company's risk profile is more stable. Sweden's share of the quarterly revenue was 13.2% (Q1 2024: 14.8%).

As a significant positive change, the Germany market grew, with revenue tripling due to increased project-based orders in the substation product group, reaching 6.5 (Q1 2024: 2.2) million euros. Germany's share of the quarterly revenue increased significantly, rising to 17.4% (Q1 2024: 4.8%). Revenue from the Netherlands was somewhat lower than the previous year, reaching 0.8 (Q1 2024: 1.0) million euros, but remained stable independently of the Group's overall trend. Revenue from other smaller markets was 0.6 (Q1 2024: 5.8) million euros. The US market made a significant contribution the previous year, but there were no sales to the US in the first quarter of 2025.

Operating expenses

<i>(EUR '000)</i>	3M 2025	3M 2024	+/-	% 3M 2025	% 3M 2024
Cost of sales	31,760	41,940	-24.3%	89.2%	91.9%
Distribution costs	1,285	1,196	7.4%	3.6%	2.6%
Administrative expenses	2,580	2,517	2.5%	7.2%	5.5%
Total operating expenses	35,625	45,653	-22.0%	100.0%	100.0%
<i>incl. depreciation, amortization</i>	1,071	965	11.0%	3.0%	2.1%
<i>incl. total labour cost</i>	9,532	10,052	-5.2%	26.8%	22.0%
<i>incl. inclusive salary cost</i>	7,349	8,176	-10.1%	20.6%	17.9%

Operating expenses for the reporting quarter totaled 35.6 (Q1 2024: 45.7) million euros, which is 22% less than the previous year. The decrease in expenses was mainly due to the cost of sales, which fell to 31.8 (Q1 2024: 41.9) million euros, a reduction of 24.3%. This was achieved through adjustments in production volumes and better cost management regarding input prices and supply solutions. The gross profit margin improved by 4.8 percentage points in the quarterly comparison, reaching 15%, mainly supported by reduced sales costs and improved production efficiency.

Although distribution costs and administrative expenses have slightly increased when comparing the first quarters, they remained moderate and stable over a longer period, staying within the usual cost levels. Distribution costs were 1.3 (Q1 2024: 1.2) million euros, accounting for 3.6% (Q1 2024: 2.6%) of the Group's operating expenses and 3.4% (Q1 2024: 2.6%) of revenue. The increase in costs has been necessary to maintain revenue, strengthen customer relationships, and secure new contracts. Stronger marketing and sales communication help the company maintain visibility in a competitive market and support further sales growth. Administrative expenses were 2.6 (Q1 2024: 2.5) million euros, accounting for 7.2% (Q1 2024: 5.5%) of the Group's operating expenses for the reporting quarter and 6.9% (Q1 2024: 5.4%) of revenue.

Depreciation expenses for fixed assets amounted to 1.1 (Q1 2024: 1.0) million euros in the quarter. The slight increase in costs is expected, reflecting the continued impact of previous investments – as fixed assets are added, regular depreciation expenses increase accordingly, maintaining a stable growth trend.

Labour costs for the quarter were 9.5 (Q1 2024: 10.1) million euros, which is 5.2% less than a year earlier. The cost savings resulted from adjustments in the number of employees in production units in Estonia, Finland, and Lithuania. However, the share of labor costs in revenue increased to 25.5% (Q1 2024: 21.5%). The average monthly salary was 2,912 (Q1 2024: 2,862) euros.

PERSONNEL

During the reporting quarter, an in-depth feedback analysis of the employee satisfaction survey was carried out and, based on the results, more specific follow-up actions were agreed to improve the organisational culture and working conditions. More far-reaching changes are planned through lean projects, which help to improve processes in a systematic and inclusive way. Occupational safety also remains a priority for the company, and activities to improve it are a focus in all units.

A Kickoff 2025 event was held at the Estonian factory in February, summarising the key achievements of 2024 and setting goals for the year ahead. The Group's strategic goals for the coming years and the objectives of each of the company's divisions were also presented.

Alongside forward-looking activities, there is also a strong focus on inspiring the next generation. The Lithuanian factory continued to organise school visits, giving young students the chance to see production processes in action and to see for themselves how technology is coming to life and what an exciting field engineering is.

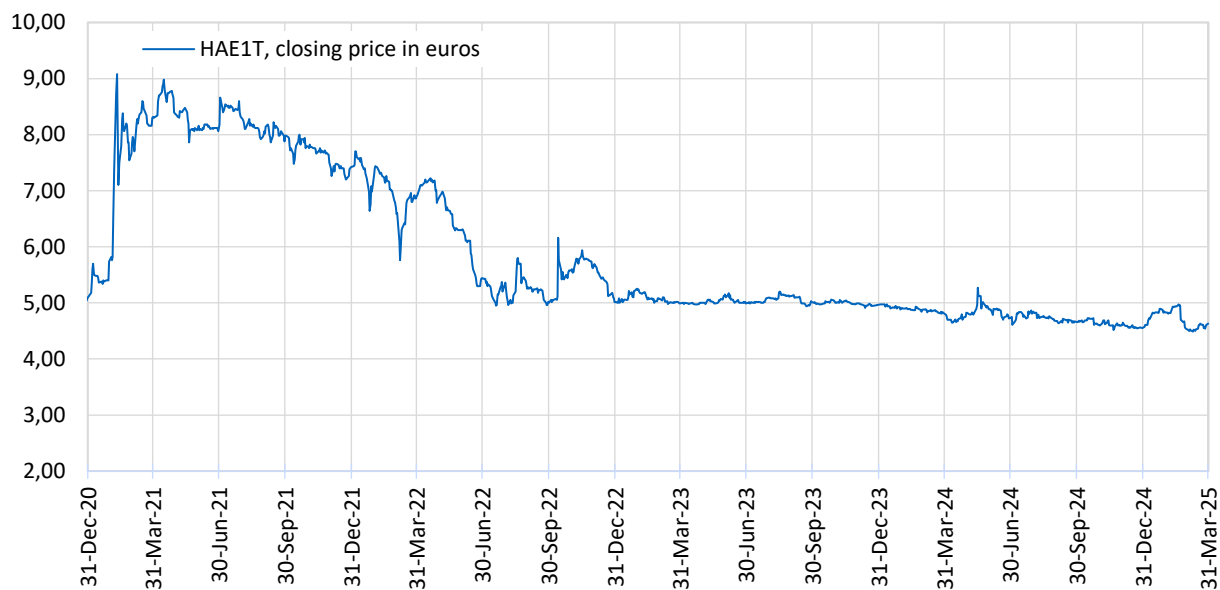
At the end of the reporting period, the Group employed a total of 846 people, which is 118 fewer than a year earlier. The average number of employees during the quarter was 841, showing a significant decrease compared to the same period last year. The number of employees decreased in the business units in Estonia, Finland, and Lithuania, where production efficiency has been improved and a decline in production volume has been prevented.

	Average number of employees		Numbers of employees			Proportion	
	3M 2025	3M 2024	31.03.25	31.03.24	+/-	% 31.03.25	% 31.03.24
Estonia	296	335	301	339	-38	35.6%	35.2%
Finland	187	214	188	224	-36	22.2%	23.2%
Lithuania	292	356	290	347	-57	34.3%	36.0%
Sweden	66	48	67	54	13	7.9%	5.6%
Total	841	953	846	964	-118	100.0%	100.0%

SHARES AND SHAREHOLDERS

Security trading history	3M 2025	2024	2023	2022	2021
Opening price (euros)	4.58	4.97	5.01	7.44	5.24
Highest price (euros)	4.99	5.33	5.31	7.74	10.50
Lowest price (euros)	4.00	4.20	4.90	4.85	5.20
Closing price (euros)	4.67	4.575	4.97	5.01	7.44
Traded shares (pcs)	167,601	751,657	1,154,685	929,491	2,048,865
Turnover (in million euros)	0.80	3.59	5.82	5.60	15.85
Capitalisation (in million euros)	85.65	84.63	91.94	91.63	134.06
Average number of the shares (pcs)	18,498,770	18,498,770	18,355,774	18,134,463	17,855,220
EPS (euros)	0.14	0.17	0.28	-0.31	0.15

Price of AS Harju Elekter Group's share (in euros) on Nasdaq Tallinn Stock Exchange between 31 December 2020–31 March 2025 (Nasdaq Tallinn, <http://www.nasdaqbaltic.com/>)



Division of shareholders by size of holding and list of shareholders with more than 10% holding as of 31 March 2025 :

Holding	No of shareholders	% of all shareholders	% of votes held	Shareholders	Holding (%)
> 10%	2	0.0	40.1	AS Harju KEK	30.10
1.0 - 10.0%	7	0.1	19.3	ING Luxembourg S.A.	10.02
0.1 - 1.0 %	61	0.6	15.9	Shareholders holding under 10%	59.88
< 0.1%	10,716	99.3	24.7	Total	100.00
Total	10,786	100.0	100.0		

As of 31 March 2025, AS Harju Elekter Group had 10,786 shareholders. During the reporting quarter, the number of shareholders decreased by 14. The largest shareholder of AS Harju Elekter Group is AS Harju KEK, a company based on local capital which holds 30.10% of AS Harju Elekter Group's share capital. On 31 March 2025, the members of the Supervisory and Management Boards owned, in accordance with their direct and indirect ownerships, in total of 4.96% of AS Harju Elekter Group shares. The complete list of shareholders of AS Harju Elekter Group is available on the website of the Nasdaq CSD <https://nasdaqcsd.com/statistics/en/shareholders>.

INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(EUR'000)</i>	Note	31.03.2025	31.12.2024
ASSETS			
Current assets			
Cash and cash equivalents		1,556	3,773
Trade and other receivables		38,351	29,606
Prepayments		2,270	2,096
Inventories		27,308	19,845
Total current assets		69,485	55,320
Non-current assets			
Deferred income tax assets		597	687
Non-current financial investments	2	27,708	27,717
Investment properties	3	29,198	29,432
Property, plant, and equipment	4	32,706	32,420
Intangible assets	4	8,429	8,121
Total non-current assets		98,638	98,377
TOTAL ASSETS	7	168,123	153,697
LIABILITIES AND EQUITY			
Liabilities			
Borrowings	5	10,500	9,839
Prepayments from customers		13,181	11,600
Trade and other payables		26,657	17,472
Tax liabilities		3,887	3,260
Current provisions		588	270
Total current liabilities		54,813	42,441
Borrowings	5	20,183	20,184
Other non-current liabilities		40	39
Total non-current liabilities		20,223	20,223
Total liabilities		75,036	62,664
Equity			
Share capital	6	11,655	11,655
Share premium		3,306	3,306
Reserves		22,734	23,135
Retained earnings		55,392	52,937
Total equity attributable to the owners of the parent company		93,087	91,033
TOTAL LIABILITIES AND EQUITY		168,123	153,697

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>(EUR'000)</i>	Note	3M 2025	3M 2024
Revenue	7	37,427	46,775
Cost of sales		-31,760	-41,939
Gross profit		5,667	4,836
Distribution costs		-1,285	-1,195
Administrative expenses		-2,580	-2,517
Other income		1,024	19
Other expenses		-31	-167
Operating profit	7	2,795	976
Finance income		633	92
Finance costs		-284	-590
Profit before tax		3,144	478
Income tax	9	-508	-117
Profit for the period		2,636	361
Earnings per share			
Basic earnings per share (euros)	8	0.14	0.02
Diluted earnings per share (euros)	8	0.14	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(EUR'000)</i>	Note	3M 2025	3M 2024
Profit for the period		2,636	361
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Impact of exchange rate changes of a foreign subsidiaries		-588	106
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of financial assets	2	-5	70
Total comprehensive income for the period		-593	176
Other comprehensive income		2,043	537

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(EUR '000)</i>	Note	3M 2025	3M 2024
Cash flows from operating activities			
Profit for the period		2,636	361
<u>Adjustments</u>			
Depreciation, amortization and impairment	3,4	1,071	963
Gain/loss on sale of property, plant and equipment		-1	-1
Share-based payments	10	11	30
Finance income		-631	-92
Finance costs		282	590
Income tax	9	508	117
<u>Changes</u>			
Changes in trade receivables and prepayments		-8,735	-11,222
Changes in inventories		-7,463	934
Changes in trade payables and prepayments		11,000	6,760
Corporate income tax paid	9	-208	-76
Interest paid		-125	-484
Total cash flow (-outflow) from operating activities		-1,655	-2,120
Cash flows from investing activities			
Payments for investment properties	9	-230	-555
Payments for property, plant and equipment	9	-300	-184
Payments for intangible assets	9	-315	-185
Payments for financial investment	2	-17	0
Proceeds from sale of property, plant and equipment		1	33
Proceeds from sale of other financial investments	2	17	0
Dividends received		0	3
Received interests		4	4
Total cash flow (-outflow) from investing activities		-840	-884
Cash flows from financing activities			
Change in overdraft balance and current borrowings	5	1,989	3,184
Repayment of non-current borrowings	5	-812	-1,156
Change in factoring liability	5	-619	1,082
Repayments of lease liabilities	5	-98	-200
Total cash flow (-outflow) from financing activities		460	2,910
Total net cash flow (-outflow)		-2,035	-94
Cash and cash equivalents at the beginning of the period			
Changes in cash and cash equivalents		-2,035	-94
Effect of exchange rate fluctuations on cash and cash equivalents		-182	157
Cash and cash equivalents at the end of the period		1,556	1,444

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 January – 31 March (EUR'000)	Share capital	Share premium	Reserves	Retained earnings	Total equity
Balance at 1 January 2024	11,655	3,306	23,135	52,937	91,033
Comprehensive income					
Profit for the period	0	0	0	361	361
Other comprehensive income	0	0	176	0	176
Total comprehensive income	0	0	176	361	537
Transactions with owners recognized directly in equity					
Share-based payments (Note 8,10)	0	0	30	0	30
Total transactions with owners	0	0	30	0	30
Balance at 31 March 2024	11,655	3,306	23,261	52,343	90,565
Balance at 1 January 2025	11,655	3,306	23,135	52,937	91,033
Comprehensive income					
Profit for the period	0	0	0	2,636	2,636
Other comprehensive income	0	0	-412	-181	-593
Total comprehensive income	0	0	-412	2,455	2,043
Transactions with owners recognized directly in equity					
Share-based payments (Note 8,10)	0	0	11	0	11
Total transactions with owners	0	0	11	0	11
Balance at 31 March 2025	11,655	3,306	22,734	55,392	93,087

NOTES TO INTERIM FINANCIAL STATEMENT

Note 1 Accounting methods and valuation principles used in the consolidated interim report

AS Harju Elekter Group is a company registered in Estonia. The interim report prepared as of 31 March 2025 comprises AS Harju Elekter Group (the "Parent Company") and its subsidiaries AS Harju Elekter, Energo Veritas OÜ, Harju Elekter Oy, Harju Elekter Kiinteistöt Oy, Telesilta Oy, Harju Elekter AB, Harju Elekter Services AB and Harju Elekter UAB (the "Group"). AS Harju Elekter Group has been listed on Tallinn Stock Exchange since 30 September 1997; 30.10% of its shares are held by AS Harju KEK.

The consolidated interim financial statements of AS Harju Elekter Group and its subsidiaries have been prepared in accordance with International Reporting Standards (IFRS) as adopted by the European Union. This consolidated interim report is prepared in accordance with the requirements for international accounting standard IAS 34 "Interim Financial Reporting" on condensed interim financial statements. The interim report is prepared on the basis of the same accounting methods as used in the annual report concerning the period ending on 31 December 2024. The interim report should be read in conjunction with the Group's annual report of 2024, which is prepared in accordance with International Financial Reporting Standards (IFRS).

According to the assessment of the Management Board, the interim report for the first quarter and 3 months of 2025 of AS Harju Elekter Group presents a true and fair view of the financial result of the consolidation Group guided by the going-concern assumption. This interim report has been neither audited nor reviewed by auditors and only includes the consolidated reports of the Group.

The financial statements are presented in euros, which is the Group's functional and presentation currency. The consolidated interim financial statement has been drawn up in thousands of euros and all the figures have been rounded to the nearest thousand, unless indicated otherwise.

Note 2 Financial investments

<i>(EUR'000)</i>	31.03.25	31.12.24	31.03.24
Listed securities (fair value through other comprehensive income)	17	21	1,618
Other equity investments (fair value through other comprehensive income)	27,687	27,687	27,687
Other financial assets through profit or loss	5	9	8
Total	27,709	27,717	29,313
Changes	3M 2025	12M 2024	3M 2024
1. Financial assets at fair value through other comprehensive income			
Carrying amount at the beginning of the period	27,708	29,235	29,235
Additions	17	0	0
Sale of financial assets	-17	-1,456	0
Change in fair value through other comprehensive income	-5	-71	70
Carrying amount at the end of the period	27,703	27,708	29,305
2. Financial assets at fair value through profit and loss			
Carrying amount at the beginning of the period	9	9	9
Change in fair value through profit and loss	-4	0	-1
Carrying amount at the end of the period	5	9	8
Total carrying amount at the end of the period	27,708	27,717	29,313

The sale of listed securities generated a total of 17 thousand euros, resulting in a realized loss of 0.18 million euros. This loss did not affect the consolidated profit for 2025, as it was reflected in the fair value revaluations of previous periods. During the reporting quarter, the fair value of the remaining securities decreased by 5 thousand euros.

As of 31 March 2025, other equity investments include an investment in the shares of IGL-Technologies Oy in the amount of 0.5 (31.12.24: 0.5) million euros and in the shares of OÜ Skeleton Technologies Group in the amount of

27.2 (31.12.24: 27.2) million euros. As of the reporting date, the registered ownership stake in OÜ Skeleton Technologies Group is 5.45%. The company is engaged in the development and production of supercapacitors and is gradually increasing production. The assessment of future cash flows of the OÜ Skeleton Technologies Group includes significant uncertainty. Measurement of fair value is a complex process in the absence of an active market and when this is the case, this kind of measurement involves making assumptions and decisions. In assessing the fair value of the company, the Group's management based the assessment on the issue price of the new shares used in the financing rounds, the economic indicators disclosed by OÜ Skeleton Technologies Group, the associated investment risk, and weighted the marketability of instrument.

Note 3 Investment properties

<i>(EUR'000)</i>	Note	3M 2025	3M 2024
Balance at the beginning of the period		29,432	28,856
Additions	7	148	377
Depreciation	7	-382	-311
At the end of the period		29,198	28,922

Note 4 Property, plant and equipment and intangible assets

<i>(EUR'000)</i>	Note	3M 2025	3M 2024
1. Property, plant and equipment			
Balance at the beginning of the period		32,420	34,067
Additions	7	302	147
Sales and write-off in carrying amount		0	-43
Depreciation	7	-625	-585
Reclassification to inventories		0	4
Impact of exchange rate changes		609	-41
At the end of the period		32,706	33,549
2. Intangible assets			
Balance at the beginning of the period		8,121	7,354
Additions	7	372	153
Amortization	7	-64	-67
At the end of the period		8,429	7,440

Note 5 Borrowings

<i>(EUR'000)</i>	31.03.25	31.12.24	31.03.24
Current borrowings			
Current bank loans and overdrafts	7,073	5,084	17,393
Current portion of non-current bank loans	2,217	3,029	2,718
Current portion of non-current lease liabilities	282	374	499
Factoring liability	733	1,352	1,966
Interest payable	195	46	305
Total current borrowings	10,500	9,885	22,881
Non-current borrowings			
Non-current bank loans	19,286	19,287	22,278
Non-current lease liabilities	897	897	929
Total non-current borrowings	20,183	20,184	23,207
Total borrowings	30,683	30,069	46,088

Changes in borrowings	3M 2025	12M 2024	3M 2024
Loans and borrowings at the beginning of the period	30,069	43,072	43,072
Change in overdraft balances	1,989	-9,125	3,184
Received non-current loans	0	109	0
Repayments of non-current loans	-812	-3,945	-1,156
Change in factoring liability	-619	468	1,082
New lease liabilities	0	375	0
Repayments of non-current lease liabilities	-98	-729	-200
Impact of exchange rate changes	5	2	5
Change in interest payable	149	-158	101
Loans and borrowings at the end of the period	30,683	30,069	46,088

Note 6 Share capital

	31.03.25	31.12.24	31.03.24
Share capital (thousand euros)	11,655	11,655	11,655
Number of shares (pcs)	18,498,770	18,498,770	18,498,770
Book value of a share (euros)	0.63	0.63	0.63

Note 7 Segment reporting

In the consolidated financial statements, two main segments are distinguished: Production and Real Estate. Non-segmented areas of activity are grouped under Other activities, where each area of activity does not have a large enough share to form a separately reported segment.

Production – manufacturing and sale of electricity distribution and control equipment as well associated activities. This segment includes the Group's companies AS Harju Elekter, Harju Elekter Oy, Harju Elekter UAB and Harju Elekter AB.

Real estate – real estate development, maintenance and leasing, services related to the maintenance of real estate and production capacity and intermediation of services. Real estate has been identified as a reportable segment because its result and assets are more than 10% of the total result and assets of all segments. This business line includes the parent company, Harju Elekter Kiinteistöt Oy and Harju Elekter Services AB.

Other activities – sales of the products of the Group and its related companies as well as products needed for electrical installation works; management services, project management for installation works and electrical engineering for shipbuilding. Other activities are of less importance to the Group and none of them constitutes a separate segment for reporting purposes. This segment includes the Parent Company and the Group's subsidiaries Energo Veritas OÜ and Telesilta Oy. Other activities are of less importance to the Group and none of them constitutes a separate segment for reporting purposes.

The Group assesses the performance of its operating segments on the basis of revenue and operating profit. Based on the assessment of the Parent company's Management Board, inter-segment transactions are carried out on ordinary market terms that do not differ substantially from the terms agreed in transactions conducted with third parties. Unallocated assets comprise the Parent company's other receivables, prepayments, and other financial investments. Unallocated liabilities consist of the Parent company's (in Estonia) interest-bearing loans and borrowings (exc. borrowings for Real estate), tax liabilities and accrued expenses.

(EUR'000)	Note	Production	Real Estate	Other activities	Elimination	Consolidated
3 months 2025						
Revenue from external customers		34,547	1,434	1,446	0	37,427
Inter-segment revenue		83	615	1,032	-1,730	0
Segment revenue		34,63	2,049	2,478	-1,730	37,427
Operating profit		1,917	895	-6	-11	2,795
Segment assets		99,307	35,47	48,296	-42,253	140,820
Unallocated assets						27,303
<i>incl. Financial investments</i>						27,217
<i>incl. Other receivables and prepayments</i>						86
Total assets						168,123
Liabilities of the segment		80,647	315	4,149	-42,253	42,858
Unallocated liabilities						32,178
<i>incl. borrowings</i>						31,435
<i>incl. accrued expenses</i>						405
<i>incl. other</i>						338
Total liabilities						75,036
Capital expenditure	3,4	461	164	197	0	822
Depreciation and amortization	3,4	421	513	141	-4	1,071
3 months 2024						
Revenue from external customers		44,404	1,321	1,050	0	46,775
Inter-segment revenue		114	1,409	0	-1,523	0
Segment revenue		44,518	2,730	1,050	-1,523	46,775
Operating profit		306	923	-223	-32	974
Segment assets		111,638	34,650	45,853	-33,220	158,921
Unallocated assets						28,965
<i>incl. Financial investments</i>						28,818
<i>incl. Other receivables and prepayments</i>						147
Total assets						187,886
Liabilities of the segment		92,688	445	5,049	-33,220	64,962
Unallocated liabilities						32,359
<i>incl. borrowings</i>						31,361
<i>incl. accrued expenses</i>						688
<i>incl. other</i>						310
Total liabilities						97,321
Capital expenditure	3,4	192	377	108	0	677
Depreciation and amortization	3,4	399	429	139	-4	963

Revenue by geographic regions (customer location)

(EUR'000)	3M 2025	3M 2024
Estonia	4,800	4,469
Finland	12,879	16,978
Sweden	4,934	6,901
Norway	6,885	9,325
Germany	6,520	2,223
Netherlands	820	1,044
Other	589	5,835
Total revenue	37,427	46,775

Revenue by business activities*(EUR '000)*

	3M 2025	3M 2024
Manufacturing and sale of electrical equipment	34,094	43,472
Lease income	1,162	1,136
Electrical works	1,169	1,050
Other services	1,002	1,117
Total revenue	37,427	46,775

Note 8 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit for the reporting period with the weighted average number of shares issued during the period. Diluted earnings per share are calculated by taking into account the shares that will be potentially issued. The resolution of the general meeting of shareholders held on 29 April 2021 approved the new 2021–2022 share option program, under which the members of the Management Boards and key personnel of AS Harju Elekter Group and its subsidiaries are entitled to receive share options. The issue price of the shares to be acquired on the basis of the option is the average of the closing prices of the shares for the calendar years of 2018, 2019, and 2020 on the Nasdaq Tallinn Stock Exchange as of 31 December, i.e., 4.50 euros per share. As at 31 March 2025, the Group had a total of 138,500 potentially issuable ordinary shares.

As to share-based compensation to which IFRS 2 requirements apply, the subscription price of shares will continue to include the cost of the services provided by employees for the share-based compensation. The value of the service was estimated by an independent expert at 3.55 euros in the 2021 round and 1.52 euros in 2022. The potential shares will only become dilutive after their average market price for the period exceeds these values. From January to 31 March 2025, the average market price of the shares was 4.72 (Q1 2024: 4.89) euros.

	Unit	3M 2025	3M 2024
Profit attributable to equity holders of the parent company	EUR '000	2,636	361
Average number of shares outstanding	Pc '000	18,499	18,499
Basic earnings per share	EUR	0.14	0.02
Adjusted number of shares during the period	Pc '000	18,499	18,499
Diluted earnings per share	EUR	0.14	0.02

Note 9 Information on the statement of cash flows line items*(EUR '000)*

	Note	3M 2025	3M 2024
Corporate income tax			
Income tax expense in the statement of profit or loss		-508	-117
Decrease (+)/increase (-) in prepayment and in income tax liability		-291	177
Dividend income tax expense		500	0
Deferred income tax expense/income		92	-137
Impact of exchange rate changes		-1	1
Corporate income tax paid		-208	-76
Paid for investment properties			
Acquisitions of investment properties	3	-147	-377
Liability decrease (-)/ increase (+) incurred by the acquisitions		-83	-178
Paid for investment properties		-230	-555
Paid for property, plant and equipment			
Acquisitions of property, plant and equipment	4	-302	-147
Liability decrease (-)/ increase (+) incurred by the acquisitions		1	-38
Impact of exchange rate changes		1	1
Paid for property, plant and equipment		-300	-184
Paid for intangible assets			
Acquisitions of intangible assets	4	-372	-153
Liability decrease (-)/ increase (+) incurred by the acquisitions		57	-33
Impact of exchange rate changes		0	1
Paid for intangible assets		-315	-185

Note 10 Transactions with related parties

The related parties of AS Harju Elekter Group are Members of the Management Board and the Supervisory Board of the Group, their close associates, and companies significantly influenced or controlled by the aforementioned persons. Also, AS Harju KEK which owns 30.1% of the shares of AS Harju Elekter Group. The Group's management comprises members of the Parent company's Supervisory and Management Boards. During the reporting period, the Group has made transactions with related parties as follows:

<i>(EUR'000)</i>	31.03.2025	31.12.24	31.03.2024
Balances with related parties:			
- Payables for goods and services	70	56	127
- Payables to Management and Supervisory Boards	142	96	121
- Bonus reserve for Management board	49	42	98
	3M 2025	12M 2024	3M 2024
Purchase of goods and services from related parties:			
- Other services, Lease of property, plant from AS Harju KEK	38	89	21
- Other services from AS Entek	383	851	366
- Other services from Ellex Raidla Advokaadibüroo OÜ	0	7	0
- Other services from HeBA Clinic OÜ	17	17	5
Sale of goods and services to related parties:			
- Other services to AS Harju KEK	0	2	1
- Sale of goods and services to AS Entek	0	0	4
- Rental service for HeBA Clinic OÜ	1	3	1
Remuneration of the Management and Supervisory Boards:			
- Salary, bonuses, additional other remuneration	282	687	137
- Social security tax	93	227	45

The members of the Management Board receive remuneration in accordance with the contract and are also entitled to receive a severance payment: up to 6 months of the remuneration of the Member of the Management Board. Members of the Management Board have no rights related to pension. During the reporting period, no other transactions were made with members of the Group's directing bodies and the persons connected with them.

Share-based payments

In 2021 and 2022, 25 option contracts were signed with the Group's employees and Members of the company's Management Board, for a total of 189,750 share subscription rights, of which 138,500 shares are potentially issuable at the end of the reporting period. The term of the option programme is two years, plus the term for exercising the options. The exercise period is 36 and 48 months after the written option contract is signed.

During the reporting period, share-based payments were recognized as labour costs amounting to 11 (Q1 2024: 30) thousand euros, including 5 (Q1 2024: 10) thousand euros for the members of the Management and Supervisory Board. The pricing of the option is disclosed in Note 8.

THE MANAGEMENT BOARD DECLARATION FOR THE UNAUDITED FINANCIAL STATEMENTS

The Management Board acknowledges its responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements for the first quarter and 3 months of 2025 and confirms that to the best of its knowledge, information and belief that:

- the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements; and includes the description of major risks and doubts for the Parent company and consolidated companies as a Group; and reflects significant transactions with related parties;
- the accounting principles and presentation of information used in preparing the interim financial statements are in compliance with the International Financial Reporting Standards as adopted by the European Union;
- the interim financial statements give a true and fair view of the assets, liabilities, financial position of the Group and of the results of its operations and its cash flows; and
- AS Harju Elekter Group and its subsidiaries are going concerns.

Tiit Atso Chairman of the Management Board 23 April 2025



Priit Treial Member of the Management Board 23 April 2025



Aron Kuhi-Thalfeldt Member of the Management Board 23 April 2025



Erko Lepa Member of the Management Board 23 April 2025



Tiit Luman Member of the Management Board 23 April 2025

