

Annual Report 2025





AS HARJU ELEKTER GROUP Consolidated Annual Report 2025

Registry code: 10029524

Address: A. H. Tammsaare tee 56, 11316 Tallinn, Estonia

Telephone: +372 674 7400

Auditor: AS PricewaterhouseCoopers

Beginning of financial year: 1 January 2025

End of financial year: 31 December 2025

Annexes:

- Independent auditor's report
- Independent Practitioner's Limited Assurance Report on Consolidated Sustainability Statement
- Profit allocation proposal
- Supplementary annexes

Translation of the company's consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed

(www.nasdaqbaltic.com/statistics/en/instrument/EE3100004250/reports).

www.harjuelekter.com | info.heg@harjuelekter.com



Contents

Statement of the Chairman of the Management Board 4

MANAGEMENT REPORT

Harju Elekter in Brief 7

Harju Elekter Group 9

Main Events 10

Consolidated Sustainability Statement 12

Financial Summary 67

Share and Shareholders 85

CORPORATE GOVERNANCE REPORT

General Meeting 90

Management Board 91

Supervisory Board 94

Cooperation between the Management Board and
the Supervisory Board 97

Diversity policy 97

Publication of information 97

Financial reporting and auditing 97

Additional managing bodies and committees 98

Audit committee 98

REMUNERATION REPORT

Remuneration of Members of the Management Board 100

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position 103

Consolidated Statement of Profit or Loss 104

Consolidated Statement of Comprehensive Income 104

Consolidated Statement of Cash Flows 105

Consolidated Statement of Changes in Equity 106

Notes to Consolidated Financial Statements 107

Management Board's Confirmation of the Consolidated Annual Report 144

Independent Auditor's Report 145

Independent Practitioner's Limited Assurance Report
on Consolidated Sustainability Statement 155

Profit Allocation Proposal 160

Supplementary Annexes 161

Investments in artificial intelligence support growth in the coming years

Harju Elekter concluded 2025 in an economic environment marked by ongoing challenges and shifting conditions. At the beginning of the year, the Supervisory Board approved the Group's new 2025–2030 development strategy, which places a strong focus on improving profitability and sets a key target of achieving a 10% operating profit.

In the first year of the strategy period, we took several significant steps toward achieving these objectives and initiated a systematic shift toward more sustainable and stable growth. This progress was supported by well-considered management decisions and clearer prioritization in the selection of projects and solutions, favouring those where our technical capabilities enable to create higher customer value and stronger profit margins. We also continued to develop our sales structure and enhance the efficiency of production and supply chain processes. Growing demand for energy system development, grid reinforcement and electrification-related solutions had a positive impact on Harju Elekter's core business. The rapid rise of artificial intelligence is influencing the energy and industrial sectors more quickly than previously forecast, thereby supporting the achievement of our strategic objectives.



TIIT ATSO
Chairman of the Management Board

The Group's Estonian production unit was the most notable performer in 2025. Strong results were supported by ongoing investments in distribution networks and increasing demand for data centres, largely driven by advances in artificial intelligence. Order volumes at the Estonian unit continued to grow throughout the year, and several framework agreements were renewed, providing a firm basis for the decision to expand the factory. The construction of approximately 4,000 m² of modern production space for concrete substations and E-house solutions represents an important step for the future growth of the Estonian unit and for the development of the Keila industrial park.

The Lithuanian factory delivered a positive result, despite a more modest order environment. Flexible management of workforce and cost structures enabled the factory to remain well-loaded and maintain profitability even in more challenging market conditions. To fill available capacity, intensive sales activities and regular customer meetings were carried out. As a result, the volume of submitted offers is increasing, and several have reached the final stages of negotiations.

The Swedish unit did not yet contribute independently to the results in 2025, mainly due to a low order volume, which has been influenced by adjustments to the operating model and a shift in focus towards standardized, factory-produced solutions. We are seeing the first impacts of efforts to strengthen engineering competency and the sales team. Factory utilization is gradually improving with large-scale factory-built E-house orders suited to our profile, with confirmed orders extending to 2028. This provides a solid foundation for future growth in production volumes and profitability.

The Finnish unit could not avoid a full-year loss, and as a result, we initiated a reassessment of the business model at the Ulvila plant, shifting more substantially from contract manufacturing toward project sales. The sales, engineering and project management teams in Finland have been strengthened accordingly, and work has begun to adjust the customer profile. While the impact of these changes will materialize over time, early signs of increasing enquiries and order volumes are already evident at the beginning of 2026. The Kurikka substation production unit continues to operate very effectively and remains highly profitable.

Telesilta Oy, the Finnish company specializing in marine electrical works, also delivered a strong performance in 2025. In supporting its development, it was decided to further increase the integration of Telesilta Oy's operations into the operational and management structures of the Harju Elekter Group, with the aim of promoting continued growth and cooperation at the Group level.

One of the Group's strategic priorities is continued investment in product development. In 2025, development work continued in the electric vehicle charger segment with Elektra 2.0 – the next-generation Elektra Sense charger. Although the development period has been time consuming, the goal is now within reach. Production of the new-generation chargers will begin in the second quarter following prototype completion. In line with the objective of increasing charger sales volumes in 2026, a virtual but independently measured business unit was established for charger sales. This structure strengthens focus on sales and marketing while enabling more flexible resource use and clearer visibility into the performance of the product line.

Investments also continued in other product development areas. A significant share was directed toward substations, where restrictions on the use of SF₆ gases have required product redesign and technical updates. Development work also continued on Harju Elekter's in-house low-voltage system, HECON EVO, which is scheduled for market launch in early 2026.

A key focus in product development is the advancement of E-house-type solutions, where demand has increased primarily due to growing investments in data centres. This rise in demand is further supported by the expanding use of artificial intelligence and the resulting need for greater computing capacity and more reliable energy infrastructure. The Group is investing in this area in cooperation with several leading global system integrators.

In summary, the first year of the 2025–2030 strategy period confirmed the direction we have chosen and enables us to refocus on growth in the years ahead. Harju Elekter has the production capacity and factory capability to grow organically to at least 250 million euros in revenue and improve profitability. In addition, in line with previously defined objectives, we have begun mapping potential acquisition opportunities in Poland. Identifying a suitable company and making a corresponding decision could take place at the earliest in late 2026 or in 2027.



Tiit Atso

Chairman of the Management Board



Management Report 2025

- › Harju Elekter in Brief
- › Harju Elekter Group
- › Main Events
- › Consolidated Sustainability Statement
- › Financial Summary
- › Share and Shareholders

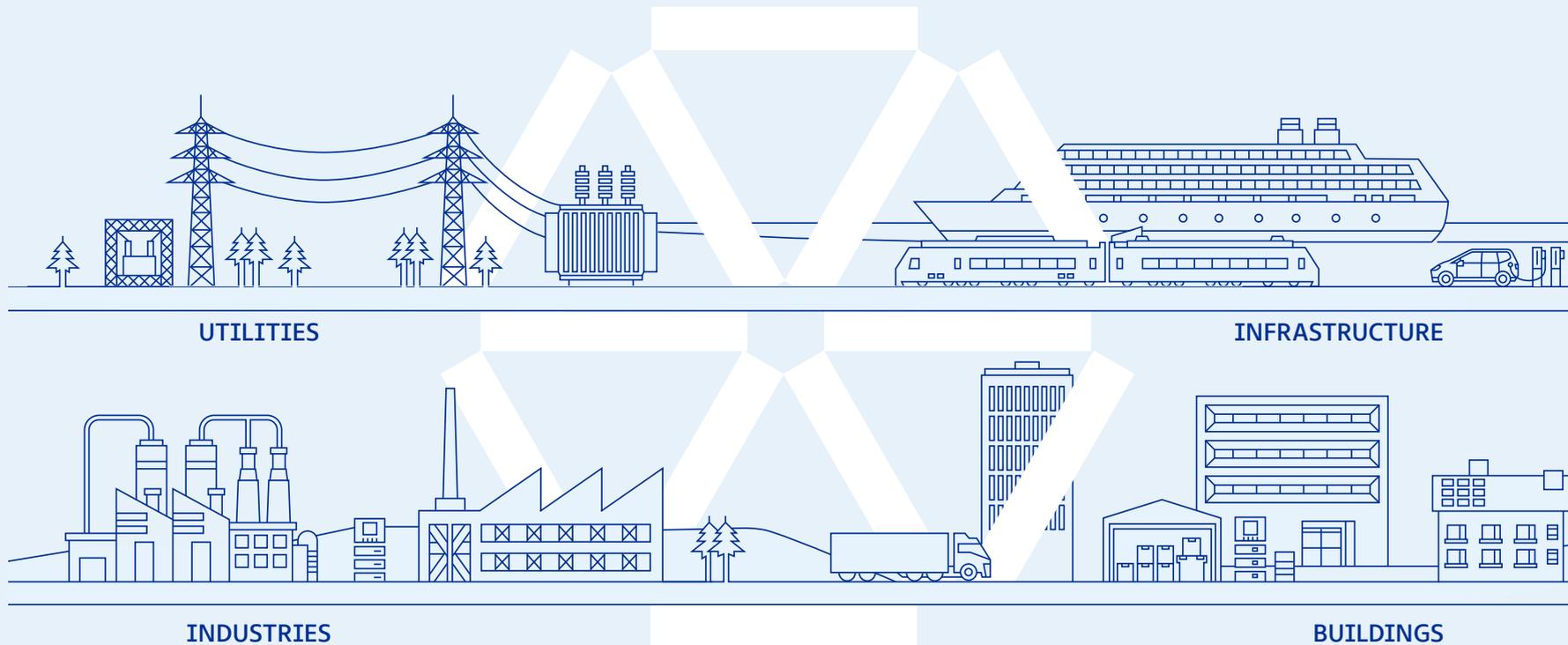
Harju Elekter in Brief

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 units 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.



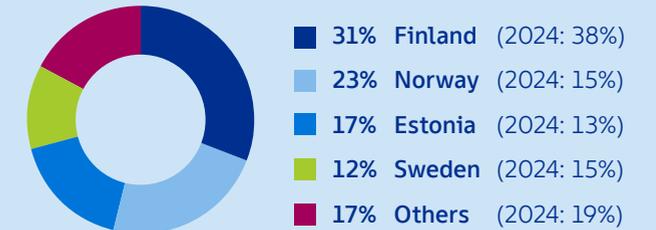
Turnover 2025

174 M€

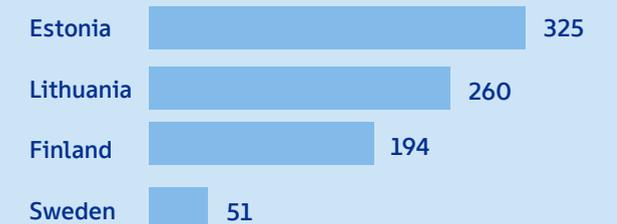
Employees in total
as at 31.12.25

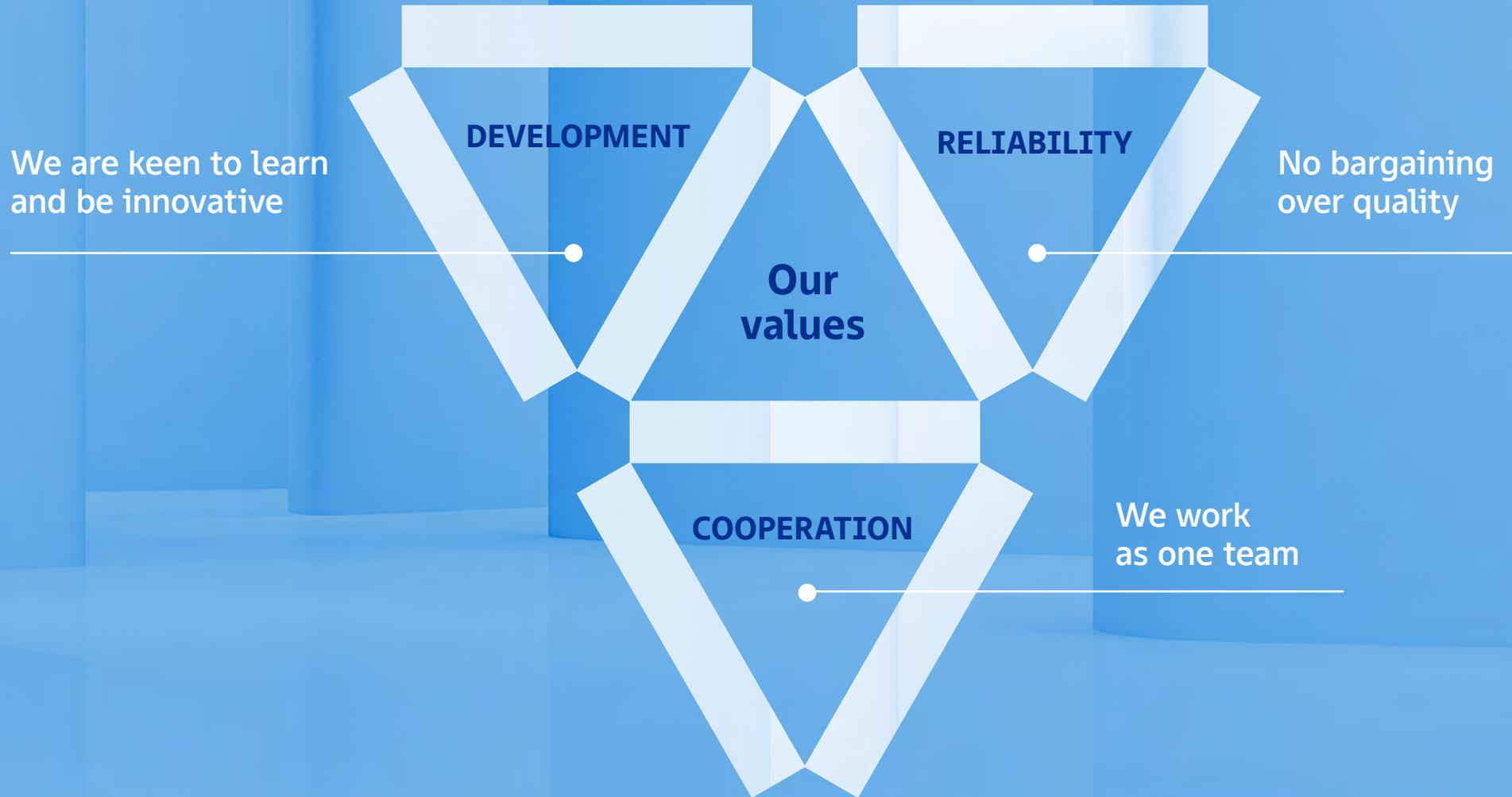
830

Share of revenue by markets



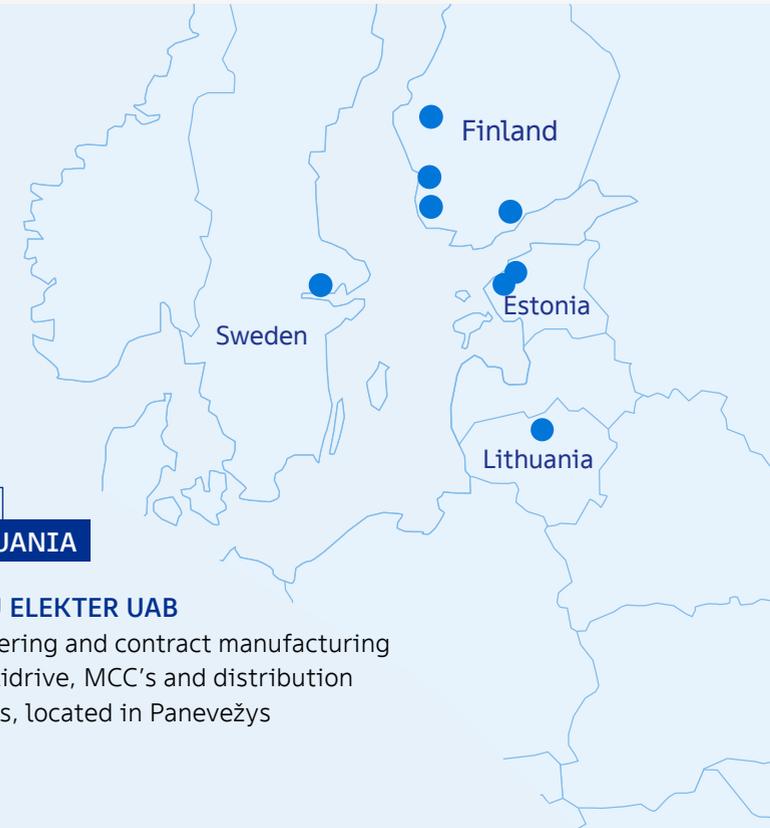
Employees by country





Harju Elekter Group

As of 31 December 2025



AS HARJU ELEKTER GROUP

The Parent company of the Group coordinates co-operation within the Group's companies and manages industrial real estate holdings.

AS HARJU ELEKTER GROUP'S SHARE IN ITS SUBSIDIARIES IS 100%

ESTONIA

AS HARJU ELEKTER

An electrical equipment manufacturer based in Keila for the energy distribution, industrial, and construction sectors

ENERGO VERITAS OÜ

Company's active economic activity paused
On 1 October 2025, a merger agreement was signed with AS Harju Elekter.

FINLAND

HARJU ELEKTER OY

Manufacturer of electrical equipment for energy, industry, and infrastructure sectors, located in Ulvila, Kerava and in Kurikka

TELESILTA OY

Electrical engineering company specializing in electrical contracting for the shipbuilding industry, located in Uusikaupunki

HARJU ELEKTER KIINTEISTÖT OY

Industrial real estate holding company in Finland

SWEDEN

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

HARJU ELEKTER SERVICES AB

Industrial real estate holding company in Sweden

LITHUANIA

HARJU ELEKTER UAB

Engineering and contract manufacturing of multidrive, MCC's and distribution systems, located in Panevėžys

STRATEGICAL INVESTMENTS

ESTONIA

OÜ SKELETON TECHNOLOGIES GROUP (5.45%)

Developer and manufacturer of supercapacitors

The detailed information about the activities of companies in 2025 can be found in the "Business Segments" chapter on [page 75](#).

A more detailed overview of the Group's structural changes can be found on [page 128](#).

Main Events

Visit by President Alar Karis

In March, the Estonian production unit 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 regional economy, the future of education, and the importance of civil protection and community cooperation.



Divestment of Shareholding in electric vehicle charging software Company IGL

In April, Harju Elekter OY, the Finnish subsidiary of AS Harju Elekter Group, signed an agreement to divest its 9.15% holding in IGL-Technologies Oy, Finland's leading developer of parking and e-mobility solutions and operator of parking and charging systems. Harju Elekter and IGL will continue their cooperation following the divestment.

Visit by the Minister of Economic Affairs and Industry

In July, Estonia's Minister of Economic Affairs and Industry, Erkki Keldo, visited Harju Elekter's Estonian factory to familiarize himself with the Keila production unit and discuss key development trends in the industrial sector. The visit provided an opportunity to exchange views on future electrification trends and present the company's achievements and future plans, while raising topics of importance for the manufacturing industry.

Visit by the Finnish Investors' Association

In September, nearly 50 members of the Finnish Investors' Association visited Harju Elekter's Estonian factory. During the visit, the Group's key milestones and financial indicators were presented, along with an overview of the factory's core activities. Visitors showed strong interest in Harju Elekter's development trends and product portfolio and provided positive feedback on both the Group and the Estonian production unit.

Extension of the term of office of Management Board Member of the subsidiary

The Supervisory Board of AS Harju Elekter, a subsidiary of AS Harju Elekter Group, approved the extension of the of Management Board member Alvar Sass for an additional three years, until 2 October 2028.

Estonian Embassy in Lithuania visits Harju Elekter UAB

In April, Harju Elekter UAB, the Group’s Lithuanian production unit, was visited by Kaili Terras, Estonia’s Ambassador to Lithuania. The visit highlighted the strong economic ties between Estonia and Lithuania and the role of Harju Elekter, an Estonian-owned company, in the Lithuanian industrial sector. Discussions focused on cooperation opportunities, sector developments and the strong relationship between the two countries.

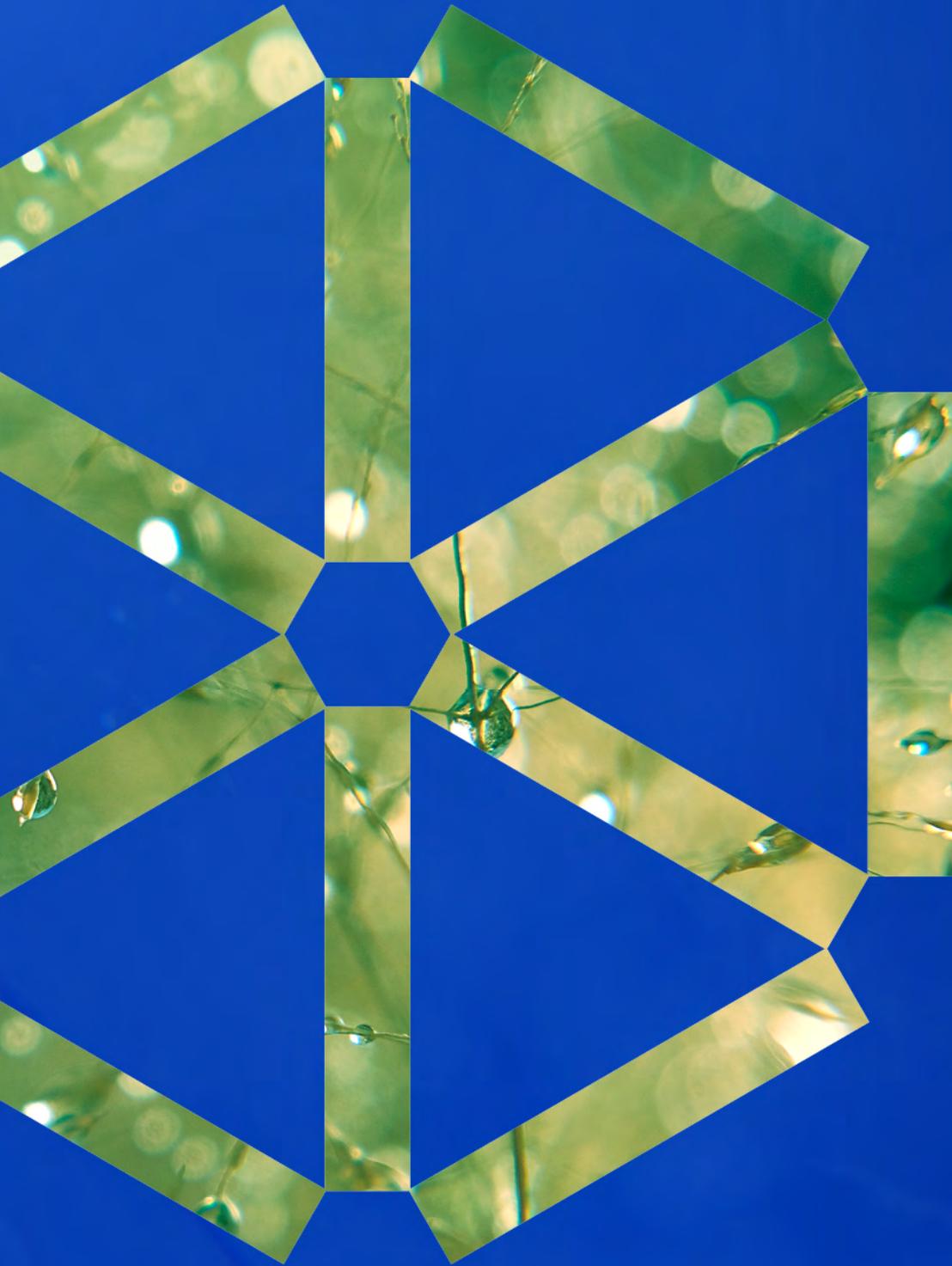


Expansion of the Keila Factory

In October, Harju Elekter’s Estonian production unit began expansion works, constructing a 4,000 square metre modern factory building that will significantly increase the Keila unit’s production capacity. The investment in the building and equipment exceeds four million euros. The expansion will be completed by October 2026 and will create new high-value engineering and production jobs. With this expansion, the Keila unit’s total production area will increase to 28,000 square metres.

Share capital increase

The Supervisory Board of AS Harju Elekter Group decided to increase the share capital of the company by 17,010 euros by issuing new ordinary shares. The increase in the share capital is due to the need to issue new shares to the management board members and key personnel of Harju Elekter and its subsidiaries participating in the option program approved with the resolution of the general meeting on 29 April 2021. Four current and former Harju Elekter employees participated in the share issue, subscribing for a total of 27,000 shares. The newly issued shares carry the right to receive dividends for the financial year beginning on 1 January 2025. Following the increase, Harju Elekter has a total of 18,525,770 no-par-value ordinary shares and a share capital of EUR 11,671,235.10.



Consolidated Sustainability Statement 2025

- › General Information
- › Environmental Information
- › Social Information
- › Governance Information
- › Notes to the Consolidated Sustainability Statement

ESRS 2 General Information

Basis for preparation

The consolidated sustainability statement of AS Harju Elekter Group and its subsidiaries (together the 'Group') has been prepared in accordance with the EU Corporate Sustainability Reporting Directive 2022/2464 (CSRD) and the European Sustainability Reporting Standards (ESRS) from the financial year of 2024 and covers the financial year from 1 January to 31 December 2025. The scope of consolidation is the same as in the consolidated financial statements. Financial investments are not included in this sustainability statement.

Upstream and downstream value chain coverage (BP-1)

Harju Elekter has taken into account the upstream (inflow) and downstream (outflow) value chain when identifying potential impacts, risks, and opportunities. Most of the Group's environmental impacts, and around 99% of greenhouse gas emissions, are related to the value chain. Therefore, the sustainability statement reflects significantly more than just first-line business relationship information. Outsourced materials and suppliers' environmental and social practices have been mapped, based on their self-assessment. All policies, activities, and objectives related to the value chain are disclosed in the

relevant sections of the sustainability statement. In the case of the data disclosed in the sustainability statement, the upstream and downstream value chain data are included in certain cases, such as indirect greenhouse gas emissions related to the Group's customers and suppliers, and the number of suppliers that have signed or have an equivalent standard to the Code of Conduct of Harju Elekter. In addition, the impacts of the Group's input resources relate mainly to the upstream value chain, which is discussed in chapter ES, which covers resource use and the circular economy.

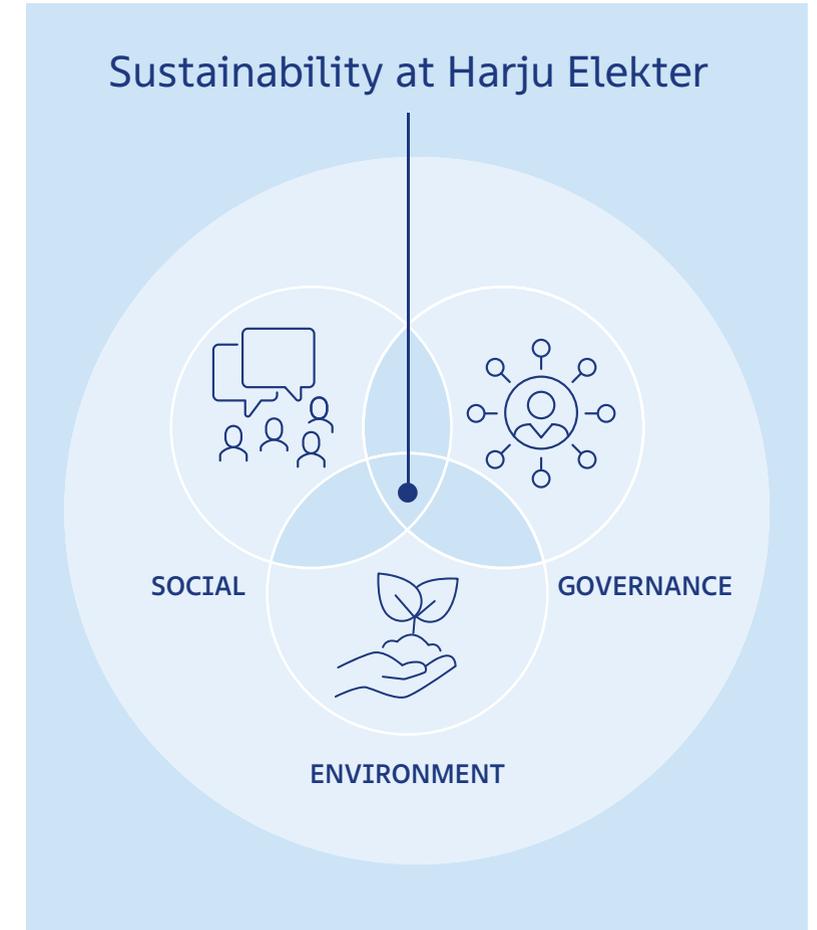
The sustainability statement does not include confidential information on the Group's strategy, plans, and actions to the extent that it ensures the protection of trade secrets and intellectual property.

Disclosures in relation to specific circumstances (BP-2)

The sustainability statement has been prepared using short-term, medium-term, and long-term definitions in accordance with the ESRS 1 standard. For the short-term, the period is year, for the medium-term up to 5 years, and for the long-term, more than 5 years.

Greenhouse gas scope 3 emissions include data from the value chain that cannot be directly measured and can only be estimated. Therefore, indirect sources were used to assess emissions, including publicly available industry averages, databases, and data from the Environmental Product Declarations (EPDs) certified by third parties.

The level of uncertainty surrounding the scope 3 data is generally considered to be medium, with systematic and statistical



uncertainty estimated to be low. Although it is not possible to measure scope 3 emissions directly, maximum use was made of product-specific information from the EPD declarations and additional relevant sector-specific databases. For more information on greenhouse gas emissions, see [total GHG emissions \(E1-6\)](#).

Management

Management and supervisory bodies (GOV-1)

The Management Board is the governing body of the public limited company, which represents and manages the daily activities of the company. The Supervisory Board of Harju Elekter decided to expand the Management Board from three members to five, effective 01 January 2025. As of 31 December 2025, the Management Board of AS Harju Elekter Group consists of five male members. Chairman of the Management Board Tiit Atso is responsible for the general and strategic management of the Group; Priit Treial is responsible for the Group's financial matters; Aron Kuhi-Thalfeldt oversees the Group's real estate and energy sectors; Tiit Luman is responsible for marketing, product and sales management within the Harju Elekter Group; and Erko Lepa is responsible for production, supply chain and strategic procurement. Tiit Atso has been with Harju Elekter since 2014, Aron Kuhi-Thalfeldt since 2003, Priit Treial since 2022, Tiit Luman since 2008, and Erko Lepa since 2021. The Management Board does not include members who are not part of the executive management, nor does it include employee representatives.

The Supervisory Board plans the activities of the public limited company, organizes its management, and supervises the activities of the Management Board. The six-member Supervisory Board of AS Harju Elekter Group consists of Chairman Triinu Tombak and members Risto Vahimets, Mart Luuk, Arvi Hamburg, Aare Kirsme, and Andres Toome. Triinu Tombak has served as a Member of the Supervisory Board of AS Harju Elekter Group from 1997 to 2007, and from 2012 to the present. Andres Toome from 2007, Aare Kirsme from 2014, Arvi Hamburg from 2017, and Risto Vahimets and Mart Luuk from 2022. The Supervisory Board does not include non-executives and employee representatives.

For more information on the education, experience, and professional career of the members of the Management Board and Supervisory Board, see [the Corporate Governance Report](#).

The Supervisory Board consist of 1 woman, 17% (2024: 17%) and 5 men, 83% (2024: 83%), and the diversity ratio of the Supervisory Board by gender is 0.2 (2024: 0,2). The independent member of the Supervisory Board is Risto Vahimets.

The Chairman of the Management Board is responsible for supervising impacts, risks, and opportunities. The Supervisory Board supervises the Management Board. The Management Board's mandates and policies do not currently reflect individual commitments on impacts, risks, and opportunities. The rights and obligations of the Management Board and the Supervisory Board are defined in the Articles of Association of Harju Elekter and the Commercial Code.

The Management Board and the Supervisory Board play a central role in guiding and ensuring business conduct. Their responsibilities include ensuring compliance with both strategic management and the company's values and ethical behavior. The Management Board is responsible for establishing high-level business practices that support transparency, accountability, and sustainability.

The Management Board is primarily responsible for the management of daily activities, ensuring that business conduct complies with laws, regulations, and internal rules established within the company. It is also the responsibility of the Management Board to align the company's strategy with ethical business principles and make sure that employees, customers, and partners follow the.

The Management Board has appointed the day-to-day monitoring and management of sustainability issues to the Group's Sustainability Manager. This role includes the implementation

of the Group's sustainability strategy and the development of detailed action plans. The Management Board is regularly kept informed of sector-specific updates, ensuring transparency and accountability in the implementation of the plans. The Management Board approves the strategy, policies, actions, and targets set in terms of impacts, risks, and opportunities. Proposals for these are made to the Management Board by the Group's Sustainability Manager.

The members of the Management Board and of the Supervisory Board have the relevant knowledge arising from their education and work experience, which is necessary to manage the legal risks of the company and ensure responsible and sustainable activities. They understand international business practices, including respect for human rights and sustainability. They are able to identify and mitigate risks that may result from unfair or opaque business conduct and assess the long-term impact of decisions on sustainability and the company's values. The members of the Management Board and of the Supervisory Board support the formation of an ethical organizational culture and the involvement of employees in the implementation of the company's values. If members have limited knowledge or do not have the necessary knowledge in a specific area (e.g. laws, regulations, occupational health, safety, resource efficiency or greenhouse gas emissions), the necessary competence will be ensured through the assistance of internal or external experts or, if necessary, through training of members.

The Supervisory Board supervises the activities of the Management Board, assessing whether the strategies and decisions are in line with the values of the company and the interests of shareholders. The role of the Supervisory Board is to ensure that the company's business conduct supports long-term sustainability and reputation. This will ensure additional oversight and accountability, ensuring that all actions are consistent with the Sustainable Development Goals and risk management.

All manufacturing companies of the Group have been issued Quality and Environmental Management Systems (ISO 9001; ISO 14001) certificates. Occupational Health and Safety (ISO 45001) Management System certificates are held by AS Harju Elekter, Harju Elekter UAB, and Telesilta Oy. The certificates confirm that internal audits and management procedures have been implemented, ensuring the effective management of material impacts, risks, and opportunities in environmental, social, and governance topics.

Sustainability management (GOV-2)

The Group's Management Board meets with the managers, incl. the Group's Sustainability Manager, once a year. Regular meetings provide an overview of environmental, social, and governance issues, propose changes and present to the Management Board the results of policies, actions, metrics, and targets, as well as the effectiveness of the measures implemented. The Management Board and the Supervisory Board systematically assess the impacts, risks, and opportunities when making decisions related to the Group's strategy and significant transactions, considering both short-term and long-term factors. Issues related to occupational health and safety, employee well-being, and energy-related topics are directly the responsibility of the Management Board. Particular attention will be paid to energy and resource efficiency, which are central issues in the assessment of new investments. The Management Board and the Supervisory Board meet as necessary, but at least once every three months, to provide an overview of material sustainability topics through the approved strategy.

In 2024, the Management Board approved the material impacts, risks and opportunities (IRO) identified in the Double Materiality Assessment (DMA) and participated in the preparation of Harju

Elekter's sustainability strategy. The strategy considers the identified IRO-s. There is currently no separate system integrated for managing sustainability risks.

Integration of sustainability-related performance in incentive schemes (GOV-3)

The remuneration and compensation policies set out in the Group are not directly related to sustainability issues.

Statement on due diligence (GOV-4)

Due diligence element	Chapters in the sustainability statement	
Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1 (incl. E1 and E5) ESRS 2 SBM-3	
Addressing negative impacts on people and the environment	ESRS 2 MDR-A ESRS E1-1 ESRS E1-3	ESRS S1-4 ESRS E5-2
Tracking the effectiveness of these efforts	ESRS 2 MDR-M ESRS 2 MDR-T ESRS E1-4 ESRS E1-5 ESRS E1-6, ESRS E5-3 ESRS E5-4	ESRS E5-5 ESRS S1-5 ESRS S1-6 ESRS S1-7 ESRS S1-13 ESRS S1-15 ESRS S1-16
Engaging with affected stakeholders	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1	ESRS 2 MDR-P ESRS E1 ESRS S1-2

Risk management and internal controls over sustainability reporting (GOV-5)

The Group's Sustainability Manager is responsible for preparing the qualitative information on the sustainability statement and submitting it to the Management Board for review. Quantitative data will be collected at the Group level. The Sustainability Manager is responsible for verifying the data, identifying inconsistencies, and performing the necessary calculations and conversions. In 2025, the principle of shared responsibility in collecting sustainability reporting information was introduced to the managing directors of the subsidiaries, with the aim of defining each company's role and responsibility in ensuring the completeness and accuracy of the sustainability data collected.

The Management Board is responsible for identifying and managing the risks. The risks are assessed in relation to their potential to cause material errors in sustainability reporting. Group's sustainability reporting risks are identified and monitored by the Sustainability Manager, who is provided with the necessary resources and inputs. The reporting system based on the European Union's sustainability reporting standards is still in the process, therefore internal control systems have been partially established and their development will continue in the coming years.

The Management Board of Harju Elekter ensures that risk management is part of strategic and operational management. The Audit Committee exercises oversight of risk management, supported by an independent external internal audit unit, which provides independent evaluations as part of the internal audit function. Within the Group, risks are identified, managed, and mitigated to achieve the set targets and prevent the unexpected events. The risk level score in the risk analysis framework is formed by the severity of the impact and the likelihood of the risk materializing.

The Management Board periodically reviews risk levels and activities to identify and mitigate risks in a timely manner. The risk analysis covers the Group's social, environmental, and governance risks.

In terms of environmental risks, the Group is mainly affected by international and European Union requirements, such as the Corporate Sustainability Reporting Directive (CSRD), Sustainability Reporting Standards (ESRS), EU Taxonomy, the Paris Agreement on climate change, and the European Green Deal. These regulations affect the company's competitiveness, which is why we contribute to compliance and transparent reporting of sustainability information.

Of the risks associated with employees, the company is mainly affected by the employees' increased expectations for working conditions (including flexibility, development, and remuneration), which complicates the recruitment process and increases employee turnover. To mitigate the risk, the Group has created a motivation package with a transparent remuneration system for employees and modern working conditions. From the point of

view of occupational safety, the guiding principles of occupational health and safety are followed.

Management-related risks are mitigated by the group-wide training on the Code of Conduct of Harju Elekter and guiding principles. These principles are also agreed with key suppliers. To mitigate cybersecurity risks, an emphasis has been placed on various prevention and regular training activities. Additional information on the Group's financial risks is disclosed in the Financial Statements (see [Financial risk management](#)).

The main risks identified in the sustainability reporting process include data collection and its quality, as well as human resources and expertise. Since 2018, Harju Elekter has collected sustainability data and followed procedures in line with the Global Reporting Initiative (GRI) reporting requirements.

In 2024, the processes for ensuring compliance with the EU Corporate Sustainability Reporting Directive and Sustainability Reporting Standards were enhanced. The preparation of the 2025 report will follow the same processes that were established in

2024. The main risks related to data collection/data quality are due to errors in the manual entry of data, problems with the origin of the data, and difficulties in obtaining the relevant data. Actions to manage these risks comprise in-house sustainability training, consulting external experts, and documenting the entire process. The group may also be affected by changes in political decisions, which could result in uncertainty in its area of operation, limiting business opportunities.

Possible risks to human resources and sectoral knowledge related to sustainability reporting are due to the limited number of employees on the sustainability team. The Sustainability Manager is responsible for implementing sustainability reporting and strategies, and has expertise in reporting requirements, processes, and sustainability information. The report is prepared with the involvement of managers, specialists, and external experts. The departure of an employee or key partner during the preparation of sustainability report can affect the company, as replacing the specific knowledge and skills promptly can be challenging. Risk mitigation measures include company-wide sustainability training, consulting external experts, and documenting procedures.

Harju Elekter's risks are divided into



Environment



Employees



Business ethics



Regulations and legislation



Information technology



Emergencies



Supply chain



Financial risks



Corporate governance

Strategy and business model

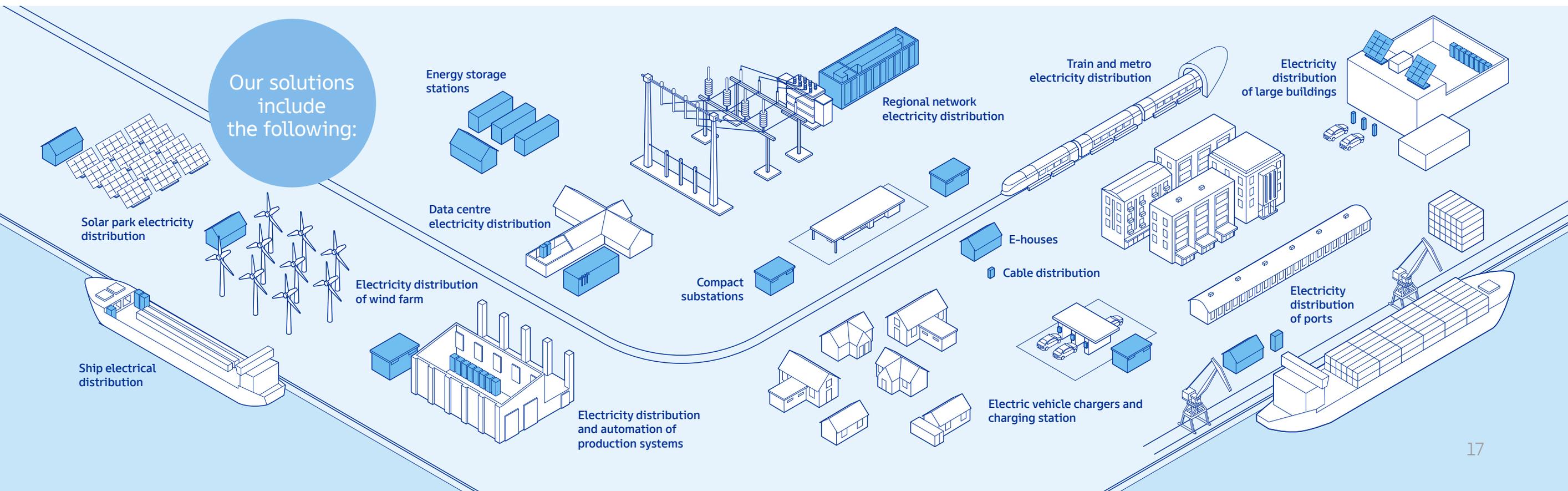
Strategy, business model, and value chain (SBM-1)

Harju Elekter focuses primarily on providing sustainable electricity distribution equipment. We design, manufacture, and install electrical equipment for energy, industrial, and infrastructure companies, as well as public and commercial buildings. The main activity of Harju Elekter is providing electricity distribution solutions, where part of the semi-finished products and components used in the products are determined by our customers. It also

affects the extent to which we can take measures to address the impacts, risks, and opportunities.

In addition to the above, the fields of activity of Harju Elekter include the development of industrial real estate, project management, rental, and related services for rental partners and the Group's companies. This segment produces 3% (2024: 3%) of the Group's revenue. Harju Elekter offers products and services related to business customers. The Group does not offer products or services that are prohibited in certain markets. Harju Elekter has its roots and Head Office in Estonia. Production units are in four countries: Estonia, Finland, Sweden, and Lithuania. Information on the number of employees by geographical area, see [S1](#).

Harju Elekter's sustainability strategy was updated in 2024. The sustainability strategy takes into account the material impacts, risks, and opportunities identified through the double materiality assessment, but it does not include sustainability-related targets for significant product and service groups, customer categories, geographical areas, or stakeholder relationships. The approval of the strategy has been postponed and is planned to be carried out after the analysis of the Group's 2024 and 2025 sustainability-related measurement data, as well as once the EU guidance on the further development of the European Sustainability Reporting Standards becomes clearer. The exact timeline has not yet been determined.



Our strategic objectives



ENVIRONMENT

We create future-proof electrification solutions with tomorrow in mind

- Reducing GHG emissions in own operations and value chain
- Increasing the share of renewable energy
- Transition to circular economy



SOCIAL

Development and our people are at the centre of Harju Elekter

- Ensuring the health and safety of employees
- Ensuring employee satisfaction
- Improving skills and performance



GOVERNANCE

Successful cooperation with our customers leads to a sustainable future

- Promoting responsible governance
- Sustainable value chain
- Excellent quality of our products and services



Our strategic objectives

ENVIRONMENT

We are committed to reducing GHG emissions

- We are reducing scope 1 and 2 GHG emissions by 20% by 2030 (base year 2024)
- We are reducing scope 3 GHG emissions by 15% by 2030 (base year 2024)

We are gradually increasing the share of renewable energy

- We are increasing the share of renewable energy production and produced solar energy consumption
- We are increasing the share of renewable energy consumption

We are applying circular economy principles

- We are increasing the content of recycled and recyclable materials in products
- We are contributing to the transition to a circular economy

We are implementing an environmental management system at the Group's production sites

- We have set a target that all our production sites have a valid ISO 14001 environmental management system certificate

SOCIAL

We are ensuring the health and safety of our employees

- We are implementing the Group's standardised Occupational Health and Safety (OHS) procedures that comply with local laws and regulations
- We are monitoring the effectiveness of the Group's OHS procedures
- We are responding to dangerous situations as soon as they are detected
- We have set a target that all our production sites have a valid ISO 45001 Occupational Health and Safety Management System certificate

We are ensuring satisfaction among our employees

- We are conducting an annual Group-wide employee satisfaction survey with a target participation rate of > 70%
- We are addressing key issues and areas for improvement and sharing success stories

We are developing our employees to ensure competitiveness in a constantly evolving business environment

- We are training our employees and supporting lifelong learning, having set a target of > 40 hours of training per employee per year
- We are managing the individual development and performance of employees

We are investing in engineering education and the manufacturing industry

- We are supporting young people's interest in technology and education
- We are participating in cooperation programmes between professional associations

GOVERNANCE

We are promoting responsible governance practices

- We are ensuring that our employees comply with Group's Environmental, Health and Safety, and Human Rights standards. We have set a target for all employees to undergo training on the Code of Conduct and standards

We are contributing to the establishment of a sustainable value chain

- We are ensuring through contracts and self-assessment procedures that our contractors and suppliers share the Environmental, Occupational Health and Safety, and Human Rights principles of Harju Elekter

We are ensuring the high quality of our products and services

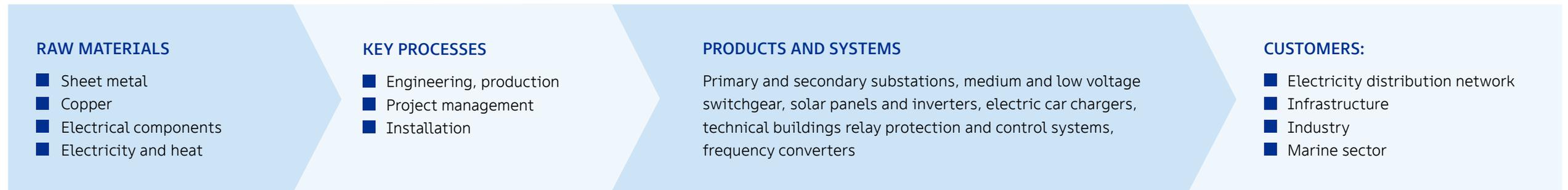
- A Quality Management System and Quality Management tools are implemented in all the Group's production sites
- We have set the target that all our production sites will have a valid ISO 9001 Quality Management system certificate

The Group’s business contributes to the sustainable development of society by supporting large scale electrification with electrical equipment that helps achieve climate objectives. Harju Elekter cannot ensure that only green energy is transmitted through

the solutions it produces; however, due to global efforts and increasing demand, the trend is moving toward ensuring that electricity grids provide access to electricity generated in an increasingly environmentally friendly manner.

Harju Elekter is committed to mitigating the negative impacts associated with its operations, including the environmental impacts of production processes and the components used within them.

The value chain of the manufacturing industry



The value chain of the real estate industry (incl. Finnish and Swedish holding companies)



The main inputs used in the production process are sheet metal, copper, electrical components and semi-finished products, electrical and heating energy, and labour. A large part of the inputs, except for energy and labor, are procured according to customer specifications, with customers often determining themselves the specific products and suppliers. Semi-finished products, components, and raw materials are outsourced as needed. While Harju Elekter has the opportunity to choose both the product and the supplier, the current market conditions prioritize price over other indicators. Often, there are no sustainable alternatives in the Group's field of operation.

The inputs used in the Real Estate segment are utilities, other services, such as waste management and sewage, construction materials, properties and land, and construction-related services. Utilities are purchased under specific periods or contracts and building materials and construction-related services are purchased as needed.

The description of the Harju Elekter value chain and products and services provides an overview of our outputs to customers. The outcome for Harju Elekter shareholders includes an increase in share price and dividends, primarily linked to the Group's financial performance. The Group's employees benefit from a stable and reliable employment environment, while the local government and the community gain significant advantages with Harju Elekter serving as a key employer and taxpayer. Furthermore, Harju Elekter actively supports local youth sports and professional education while fostering an interest in technology among young individuals.

Interests and views of stakeholders (SBM-2)

Harju Elekter employees are key stakeholders. Group strategy and business model prioritize the roles and contributions of employees, acknowledging them as key factors in the company's

success. The Group encourages open communication, employee participation in decisions, and promotes their professional growth and well-being. Employees' rights and interests are addressed by ensuring a safe working environment, offering flexible and competitive working conditions, and providing equal opportunities.

Harju Elekter's business model centers on customer expectations and needs. We have concluded framework agreements with our key customers, which set out the customers' expectations for Harju Elekter. We consider our customers' current and future needs when forming our strategy. Each real estate project is validated by local governments, financiers, and stakeholders. The projects are designed to meet the specific requirements of our customers.

Feedback from stakeholders in the Double Materiality Assessment indicates that the Group's strategy and business model already meet key stakeholder expectations and require no improvements.

Summary of stakeholder engagement

Key stakeholders	How do we engage?	Engagement purpose/outcome	How has Harju Elekter taken the feedback into account?
CUSTOMERS	<ul style="list-style-type: none"> • Feedback mechanisms (surveys, product reviews) • Social media interactions • Customer service and dialogue through sale teams • Interviews, including sustainability topics, performance and targets • Customer cooperation in product development 	<ul style="list-style-type: none"> • Improved customer satisfaction • Stronger customer relations • Better products and services • Increased transparency and trust • Positive corporate image • Valuable knowledge 	<ul style="list-style-type: none"> • Taking customer feedback and sustainability objectives into account in the Double Materiality Assessment process • Increasing customer satisfaction • Developing marketing strategy and action plans • Integrating feedback into product development • Integrating feedback into the continuous improvement process • Prioritising activities based on customer feedback

Summary of stakeholder engagement

Key stakeholders	How do we engage?	Engagement purpose/outcome	How has Harju Elekteer taken the feedback into account?
EMPLOYEES	<ul style="list-style-type: none"> • Employee engagement programmes (incl. surveys) • Employees have access to online whistleblowing channel • Competence development programmes • Structured career and performance reviews • Internal communication platforms • Team and one-on-one meetings • Creating an open environment for employees to raise potential issues 	<ul style="list-style-type: none"> • Alignment with the company’s objectives • Attractive job and career opportunities • Improved employee satisfaction and well-being • High level of health and safety at work • Innovation and ideas • Improved teamwork and cooperation • Increased productivity • Lower employee turnover 	<ul style="list-style-type: none"> • Analysing data and feedback and using data for decision-making and policy innovation • Taking account of employee feedback in the Double Materiality Assessment process • Taking account of employee feedback in developing sustainability strategies and action plans • Promoting employee belonging, diversity, and equality • Incorporating employee suggestions into the day-to-day running of the company
SUPPLIERS	<ul style="list-style-type: none"> • Cooperating and managing relations with suppliers • Introducing our Code of Conduct to suppliers • Identifying high-risk suppliers • Periodically assessing suppliers • Handling proposals from suppliers • Regular quality control 	<ul style="list-style-type: none"> • Ensuring that all partners adhere to similar sustainability standards • Identifying high-risk suppliers and addressing them • Maintaining high standards and ensuring the reliability of suppliers • Promoting responsible sourcing and reducing supply chain GHG emissions • Continuous improvement • Strengthening partnerships, developing mutual trust and cooperation 	<ul style="list-style-type: none"> • Analysing data and feedback and using them in decision-making processes • Supplier training plans and activities • Informed choice of suppliers • Meeting supplier expectations

Summary of stakeholder engagement

Key stakeholders	How do we engage?	Engagement purpose/outcome	How has Harju Elekter taken the feedback into account?
SHAREHOLDERS	<ul style="list-style-type: none"> • Adhering to the company’s dividend policy • Implementing the Group strategy • Ensuring compliance with the Code of Conduct • Monitoring and transparent reporting • Maintaining open and honest communication • Dialogue through the investor relations programme • Regular communication with analysts • Organising the annual general meeting of shareholders 	<ul style="list-style-type: none"> • Increased trust thanks to transparent communication • Understanding shareholder expectations on sustainability issues • Increased financial stability and business growth • Balanced return for shareholders • Strengthened investor confidence thanks to regular engagement • Information on the strategy of Harju Elekter • Regular reviews in cooperation with analysts • Constructive results of the annual general meeting of shareholders 	<ul style="list-style-type: none"> • Encouraging active participation and providing opportunities for shareholders to express their thoughts and ideas • Taking shareholder views and proposals into account in decision-making processes • Gathering and addressing feedback to ensure that shareholders feel involved
LOCAL AUTHORITY AND COMMUNITY	<ul style="list-style-type: none"> • Student programmes and traineeships • Sponsorship projects and partnerships to plan for community benefits • Social media activities, cooperation with local newspapers and professional associations, and promotion of engineering education • Meetings and interviews with local authorities 	<ul style="list-style-type: none"> • Trustworthy and socially responsible company and employer • Addressing community thoughts and feedback • Ensuring community benefits • Economic investment for local prosperity 	<ul style="list-style-type: none"> • Supporting local community projects • Taking into consideration the expectations of communities • Involving communities • Participating in local events • Organising educational visits to businesses
REGULATORY AND SUPERVISORY AUTHORITIES	<ul style="list-style-type: none"> • Proper reporting and disclosure of information • Regular communication with policymakers 	<ul style="list-style-type: none"> • Anticipating potential regulatory problems and mitigating risks • Valuable knowledge and instructions • Collaborative regulatory landscape 	<ul style="list-style-type: none"> • Compliant reporting • Considering suggestions for improvement • Aligning strategy and business model with regulations • Creating value

In 2024, Harju Elekter carried out for the first time the Double Materiality Assessment (DMA) in accordance with the European Corporate Sustainability Reporting Directive (CSRD) and Sustainability Reporting Standards (ESRS). We included sustainability issues relevant to stakeholders, such as greenhouse gas emissions, waste management, the circular economy, social responsibility, and responsible business practices, in the assessment list of impacts, risks, and opportunities. For the results of the DMA, see the table below (SBM-3).

The members of the Management Board were involved in the entire DMA process and received insight into the inputs of stakeholders in the process. Although the Supervisory Board does not receive separate information on feedback from all stakeholders, the Supervisory Board is indirectly informed of the opinions of stakeholders. The sustainability strategy, developed with due consideration of stakeholder perspective, forms an integral part of the approved Group Strategy for 2025-2030.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Harju Elekter's strategy and business model are informed by customer needs and expectations, as well as stakeholder perspectives. The Group has initiated changes to address the significant impacts, risks, and opportunities related to its operations.

ESRS	Topics	Material impact, risk or opportunity	Value chain	Time horizon	Description of impacts, risks, and opportunities and their effects on people or the environment
E1	Climate change adaptation	Negative impact	Own activities, upstream value chain, downstream value chain	Long-term	Energy consumption and greenhouse gas emissions in scope 1, 2, and 3 have negative impact on the environment and people
E1	Climate change adaptation	Risk	Own activities, upstream value chain, downstream value chain	Medium-term	Changing customer preferences and increased demand for low-carbon products
E1	Climate change adaptation	Risk	Own activities, upstream value chain, downstream value chain	Short-term	Changing global and EU regulations and the additional costs they entail
E1	Climate change mitigation	Reducing negative impact	Own activities, upstream value chain, downstream value chain	Short-term	Further investment in solar parks and energy efficiency
E1	Climate change mitigation	Negative impact	Own activities, upstream value chain, downstream value chain	Short-term	The GHG emissions of Harju Elekter from its own operations and value chains
E1	Climate change mitigation	Risk	Own activities, upstream value chain, downstream value chain	Medium-term	Environmental compliance can affect the price of manufacturing and thus affect the competitive position
E1	Energy	Positive impact	Own activities, upstream value chain, downstream value chain	Medium-term	The Group's core business supports electrification, which in turn contributes to climate targets

ESRS	Topics	Material impact, risk or opportunity	Value chain	Time horizon	Description of impacts, risks, and opportunities and their effects on people or the environment
E1	Energy	Opportunity	Own activities, upstream value chain, downstream value chain	Medium-term	Increased demand due to electrification, and hence increased production volumes
E1	Energy	Opportunity	Own activities, upstream value chain, downstream value chain	Medium-term	Additional investment in solar parks and energy efficiency can reduce energy costs
E5	Resource input flows and use	Positive impact	Own activities, upstream value chain, downstream value chain	Medium-term	The products of Harju Elekter have a long lifespan and can be repaired and upgraded, extending their lifespan even further
E5	Resource input flows and use	Negative impact	Own activities, upstream value chain, downstream value chain	Medium-term	The production of Harju Elekter's products requires primary resources and there are no alternatives in the form of recycled products: this contributes to the depletion of natural resources.
E5	Waste	Negative impact	Own activities, upstream value chain, downstream value chain	Short-term	Waste generated by the Group's activities. Actions to reduce negative impacts: prevention and correct management of waste, allowing the reuse and recycling
S1	Working conditions	Positive impact	Own activity	Short-term	The majority of the Group's employees work full-time, and Harju Elekter also allows its employees flexible working hours
S1	Working conditions	Negative impact	Own activity	Short-term	Excessive periodic workload, which can affect the health of employees and increase the number of days spent on sick leave
S1	Working conditions	Positive impact	Own activity	Short-term	Paying adequate wages enables the well-being of both workers and their families
S1	Working conditions	Risk	Own activity	Short-term	Dissatisfaction with wage levels can reduce the chances of recruiting and retaining talent, as well as lead to a lack of motivation and poor performance
S1	Working conditions	Positive impact	Own activity	Short-term	The Group takes into account the needs and preferences of employees by promoting diversity and inclusion, which supports the creation of a better working environment, innovation and overall company development.
S1	Working conditions	Positive impact	Own activity	Medium-term	The Group contributes to a safe working environment for employees
S1	Working conditions	Negative impact	Own activity	Short-term	Accidents at work have a negative impact on the well-being of employees
S1	Working conditions	Risk	Own activity	Medium-term	Accidents at work and days on sick leave caused by them pose a risk to the Group
S1	Equal treatment and opportunities for all	Positive impact	Own activity	Medium-term	The Group contributes to the training and development of its employees

ESRS	Topics	Material impact, risk or opportunity	Value chain	Time horizon	Description of impacts, risks, and opportunities and their effects on people or the environment
S1	Equal treatment and opportunities for all	Opportunity	Own activity	Medium-term	Competent employees contribute to the development of the Group, and development programmes increase the attractiveness of the employer on the labour market
S1	Other work-related conditions	Risk / positive impact	Own activity	Short-term	The Group is committed to data protection to ensure compliance with applicable laws and regulations when processing personal data. Failure to comply with the law can result in loss of trust, reputational damage, and fines
G1	Protection of whistleblowers	Positive impact	Own activity	Short-term	The Group ensures that whistleblowers are well protected through the whistleblowing channel

THE ELEMENTS OF THE GROUP'S STRATEGY RELATED TO SUSTAINABILITY TOPICS ARE

Occupational Health and Safety	Development and motivation of employees	Responsible sourcing	Customer satisfaction	Profitable growth that considers environmental impact reduction targets	Mitigating environmental regulatory risks and turning them into opportunities	Investment in the manufacturing of long-life, energy-efficient electrical equipment that supports electrification	Optimising production processes through continuous improvement (LEAN-management)
--------------------------------	---	----------------------	-----------------------	---	---	---	--

In the coming years, customers will likely focus more on sustainability, prompting changes in our business model and activities. Many negative impacts from Harju Elekter's business stem from its value chain and resources. These can be mitigated if customers adjust their procurement criteria and sustainable alternatives are introduced to the market.

Description of the nature of the impact activities or business relations

The effects of the upstream value chain are mainly due to input resources such as the production of energy, metals, materials, semi-finished products and components. These impacts come from the value chain, where we mainly procure materials through resellers and intermediaries, not directly from companies with

significant impacts. Harju Elekter is directly related to the effects of its own workforce, environment, and governance.

The Group will not disclose the financial impacts of the IROs for the first 3 years. As of the date of the report, it is unlikely that the IROs related to Harju Elekter will have a significant financial impact in the near future, as the company's strategy is aimed at managing them. As of 31 December 2025, the Group does not have

an independent resilience analysis due to resource scarcity. The resilience analysis is planned to be carried out in 2026; however, as a part of the Double Materiality Assessment, the Group's capacity to address significant impacts and risks, as well as to leverage material opportunities, was also discussed. In light of the above, and given that the Group's business model has not changed, it was not considered necessary to conduct a new comprehensive analysis during the reporting year.

Material impacts, risks, and opportunities

Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1)

In 2025, we reviewed the Double Materiality Assessment carried out in 2024 and compared the results with those of the previous reporting year. Our sustainability report is based on a thorough assessment.

In 2024, we assessed our business operations, value chain, industry sustainability statements and standards to identify potential impacts on people and the environment. We enhanced our understanding of material topics by collecting input through

internal and external questionnaires, conducting workshops, and performing interviews. The analysis evaluated the risks and opportunities related to these effects in both qualitative and quantitative terms. In identifying and assessing relevant impacts, risks, and opportunities, we considered aspects related to both upstream and downstream value chain.

For the upstream value chain, we evaluated data from the global value chain of essential input resources used in our operations. For the downstream value chain, we considered the effects associated with the lifespan and end of life of our products. The most significant impact in the downstream value chain occurs during the use phase of our products, through the energy they transmit. Since we purchase our main input resources from intermediaries and resellers, we do not have a complete overview of the impacts (except for products covered by EPD-s). This is primarily in the upstream part of the value chain, where significant environmental and social impacts occur.

Harju Elekter serves major European and Scandinavian companies in the Baltics and Scandinavia. We believe our operations and downstream value chain do not have significant large-scale negative impacts that we could mitigate. Because of the limited transparency of the upstream value chain with major environmental impacts, we used public global value chain data to identify and assess those impacts.

The summary table on stakeholder engagement (see [SBM-2](#)) offers an overview to understand its impacts.

After identifying the potential impacts, risks, and opportunities (IROs), we initiated the evaluation process. The initial step was to establish thresholds for assessing the significance of actual and potential impacts, opportunities, and risks. As a result of the assessment, those IROs that received above-average ratings were considered material.

For actual negative impacts, we assessed the scale of the impact, the scope, and the irremediability of these impacts. For possible negative impacts, we also assessed the likelihood and time horizon of their occurrence. For actual positive impacts, we assessed the scale and scope and for potential positive impacts also likelihood and time horizon of occurrence.

We assessed risks and opportunities based on their likelihood of occurrence and the scope of their short-, medium- or long-term financial impact. The Group's current risk management methodology is not comparable to the ESRS-compliant risk assessment, so they cannot be compared or prioritized.

The year 2024 was the first year in which sustainability reporting was based on the requirements of the European Sustainability Reporting Standards (ESRS). As a result, Harju Elekter has not yet fully integrated the internal control procedures of the Double Materiality Assessment into its overall risk management and governance processes. No further progress was made in integrating the process in 2025. We continue to improve the sustainability report and related processes as needed in order to make reporting more detailed and efficient. We review our double materiality assessment annually and update it as necessary.

Environmental Information

Taxonomy of sustainable economic activities in the European Union

The European Union has adopted a classification system for sustainable economic activities – the European Union Taxonomy Regulation¹ – which sets out the conditions under which economic activities can be considered environmentally sustainable. The Taxonomy Regulation is supplemented by two main delegated acts:

- The Climate Delegated Act² – a regulation describing the technical screening criteria for the objectives of climate change mitigation and climate change adaptation.
- The Environmental Delegated Act³ – a regulation covering the remaining four environmental objectives: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The taxonomy-related disclosure requirements arise from the Commission Delegated Regulation⁴ and its amending acts, which specify the mandatory key performance indicators (KPIs), updated reporting templates and the application of the 10% materiality threshold.

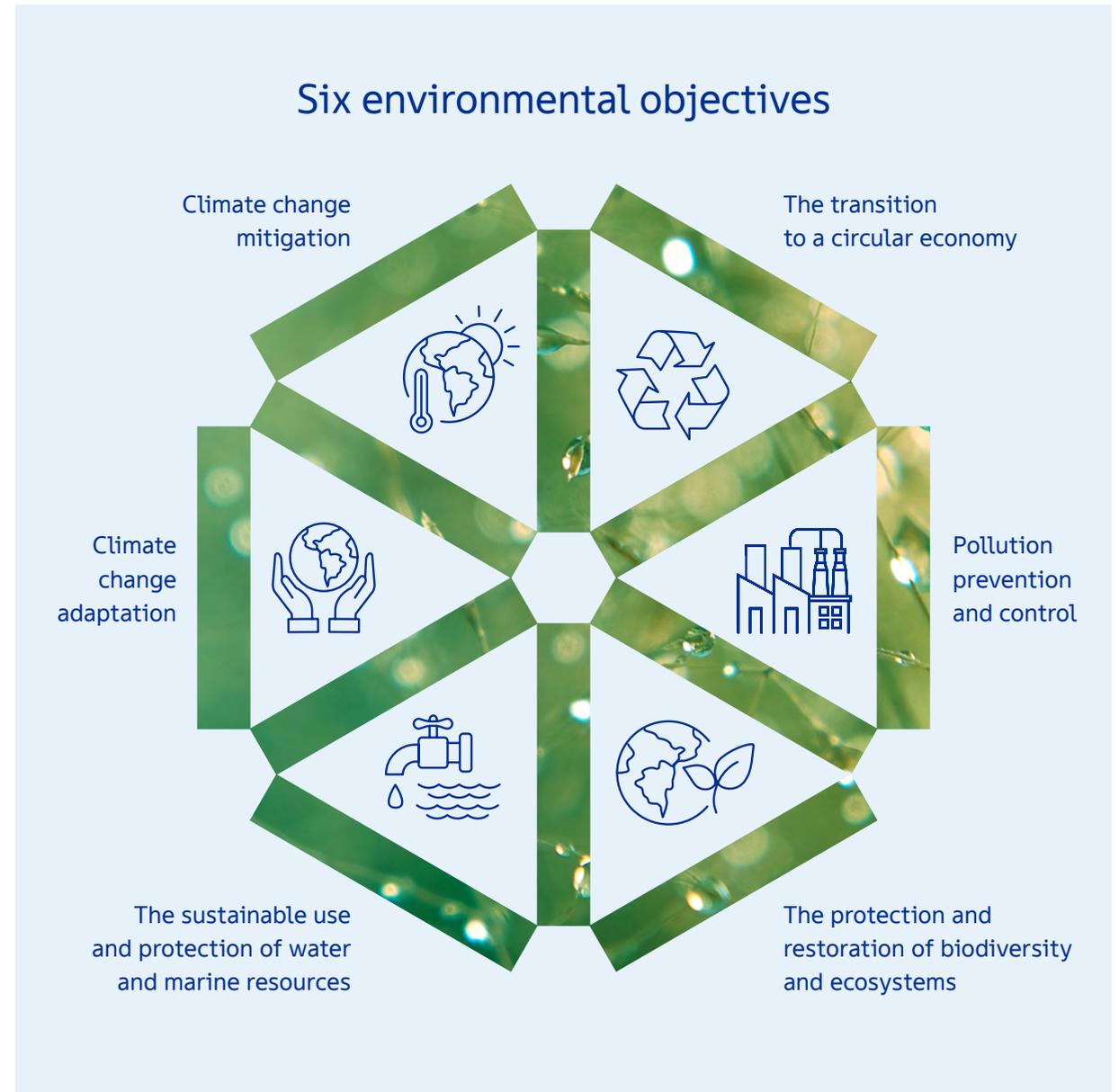
Based on Harju Elekter’s field of activity, the Group’s taxonomy reporting covers activities related to manufacturing, energy, transport, construction and real estate. In accordance with the disclosure requirements of the Taxonomy Regulation, Harju Elekter reports in 2025 the share of taxonomy-eligible and taxonomy-aligned economic activities in revenue, capital expenditure (CapEx) and operating expenditure (OpEx). The information is disclosed in accordance with the amended regulation effective from 2026, which allows the application of simplified reporting requirements, including the 10% materiality threshold and updated reporting templates.

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council.

² (EL) 2021/2139

³ (EL) 2023/2486

⁴ (EL) 2021/2178



Accounting method and background information

Harju Elekter assessed the taxonomy-eligible and taxonomy-aligned share based on the descriptions of performance indicators and the definitions of the numerator and denominator⁵ set out in Annex I of the disclosure requirements of the Taxonomy Regulation. The Group applied the definitions of the performance indicators to calculate the proportion of taxonomy-eligible and taxonomy-aligned activities in revenue, capital expenditure and operating expenditure.

The numerator was determined on the basis of the activity descriptions set out in the annexes to the Climate Delegated Act and the Environmental Delegated Act. An economic activity is considered taxonomy-eligible if it is described in the Climate or Environmental Delegated Acts, regardless of whether it fully or partially meets the technical screening criteria. An activity is considered taxonomy-aligned if it meets the applicable technical screening criteria, does not significantly harm any of the six environmental objectives (DNSH – Do No Significant Harm), and is carried out in compliance with the minimum safeguards set out in the Taxonomy Regulation.

As at 2025, the Group had not performed a taxonomy-compliant physical climate risk analysis, which is a prerequisite for demonstrating compliance with the DNSH criteria for both the climate objectives and the remaining environmental objectives. Consequently, it was not possible to assess the taxonomy alignment of any activities.

Turnover

The denominator included the Group's revenue arising from its ordinary course of business in accordance with the accounting policies set out in [Note 23.17 Revenue from contracts with customers](#) of the financial statements and in compliance with the requirements of IAS 1 §82. The Group's main activities comprise the manufacturing and sale of electrical distribution equipment and control gear. In addition, revenue is generated from the project and retail sale of electrical goods, the leasing of industrial real estate, and electrical installation works in the shipbuilding sector. The numerator included revenue in 2025 that met the taxonomy eligibility criteria. Revenue was assessed using project-based, order-based and activity-based accounting entries, and transactions were reviewed at invoice level. A second-level control was applied to avoid double counting or understatement.

Taxonomy-eligible revenue mainly arose from products and services related to the manufacture of substations and electrical distribution equipment for solar, wind and hydroelectric power plants, as well as for the modernisation and construction of low CO₂-emission vessels, accounting for a total of 29% of the Group's consolidated revenue.

In 2025, Harju Elekter's taxonomy-eligible activity was **CCM 3.3 Manufacture of low-carbon technologies for transport**. Harju Elekter companies manufacture substations and other electrical distribution equipment sold for the modernisation and construction of low-emission vessels. This is an enabling activity contributing to climate change mitigation.

Turnover from activities below the 10% materiality threshold, which is not disclosed in the taxonomy report, includes:

- 3.20 Manufacture, installation and servicing of electricity transmission and distribution equipment – 2% of turnover
- 7.7 Acquisition and ownership of buildings – 1% of turnover

Capital expenditure (CapEx)

The denominator included the Group's capital expenditure incurred in 2025 relating to investment property ([Note 7 Investment properties](#)), property, plant and equipment ([Note 8 Property, plant and equipment](#)), and intangible assets ([Note 10 Intangible assets](#)). The numerator included capital expenditure related to taxonomy-eligible economic activities. No taxonomy-eligible capital expenditure was identified during the reporting year.

Capital expenditure related to activities below the 10% materiality threshold, which is not disclosed in the taxonomy report, includes:

- 7.3 Installation, maintenance and repair of energy efficiency equipment – 8% of CapEx
- 7.7 Acquisition and ownership of buildings – 3% of CapEx

Operational expenditure (OpEx)

The denominator included non-capitalised development costs, building renovation measures, short-term leases, maintenance

⁵ (EU) 2021/2178 final, Annex I, paragraph 1.1.

and repair costs, and other expenditures necessary to ensure the continued and efficient operation of assets. In the reporting period, the Group applied the option described in point 1.1.3.2 of Commission Delegated Regulation (EU) 2021/2178 not to calculate or disclose the OpEx numerator, as operating expenditure is not material to the Group’s business model.

Information on Assessment of Compliance with the Taxonomy Regulation

In mapping taxonomy-aligned activities, Harju Elekter proceeded from the technical screening criteria, activity descriptions and relevant NACE codes set out in the Climate and Environmental Delegated Acts. According to the Taxonomy Regulation, activities contributing to climate change mitigation are classified as low-carbon activities, enabling activities and transitional activities. Harju Elekter’s activities mainly fall within low-carbon and enabling activities.

The Taxonomy Regulation requires the assessment of alignment across all six environmental objectives. As the Group had not carried out a taxonomy-compliant physical climate risk analysis in 2025, which is a prerequisite for meeting the DNSH criteria, it was not possible to assess alignment with any of the environmental objectives. For the same reason, potential alignment with contributions to the other environmental objectives was also not assessed.

Template 1: Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities –disclosure covering year 2025 (summary KPIs)

Financial year	2025														
KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (2024)	Proportion of Taxonomy-aligned activities in previous financial year (2024)
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	EUR'000	%	EUR'000	%	%	%	%	%	%	%	%	%	%	Currency	%
Turnover	174,047	29%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0	0%
CapEx	5,119	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	0	0%
OpEx	1,496	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%

Template 2: Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Reported KPI Financial year	Turnover 2025												
Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible Turnover)	Taxonomy- aligned KPI (monetary value of Turnover)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned Turnover)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy- aligned in Taxonomy- eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	Currency	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
3.3 Manufacture of low carbon technologies for transport	CCM 3.3	29%	0	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Sum of alignment per objective					0%	0%	0%	0%	0%	0%	0%	0%	0%

E1 Climate change

Transition plan for climate change mitigation (E1-1)

Harju Elekter is committed to climate change mitigation. Our sustainability strategy, which is part of the Group's overall strategy, takes into account the objectives related to the transition to a sustainable economy.

We have undertaken preparations for developing a climate neutrality plan; however, due to the extensive scope and limited resources, we have decided to postpone its preparation, and no exact timeline has yet been set. The objectives and activities related to climate change mitigation and the reduction of greenhouse gas (GHG) emissions are addressed in Harju Elekter's sustainability strategy, updated in 2024. In order to plan for climate change mitigation, we have assessed the Group's GHG footprint in scope 1, 2, and 3. We began measuring greenhouse gas (GHG) emissions for scope 1 and scope 2 in 2021. In 2024, we additionally mapped and quantified the Group's scope 3 emissions, which encompass indirect emissions from the value chain that are not included in scope 1 and scope 2. For the collection of Scope 3 data in 2025, we will use the mapping of material categories prepared in 2024.

Taking into account the results of measurements of GHG emissions in scope 1, 2, and 3, we set targets for 2030 and drew up an action plan to reduce GHG emissions. In Scopes 1 and 2, we focus on optimizing, reducing, and increasing the production of renewable electricity and heat consumption. We continue implementing

emission reduction projects and cooperating with our key partners to reduce the environmental impact of the value chain and Scope 3 GHG emissions.

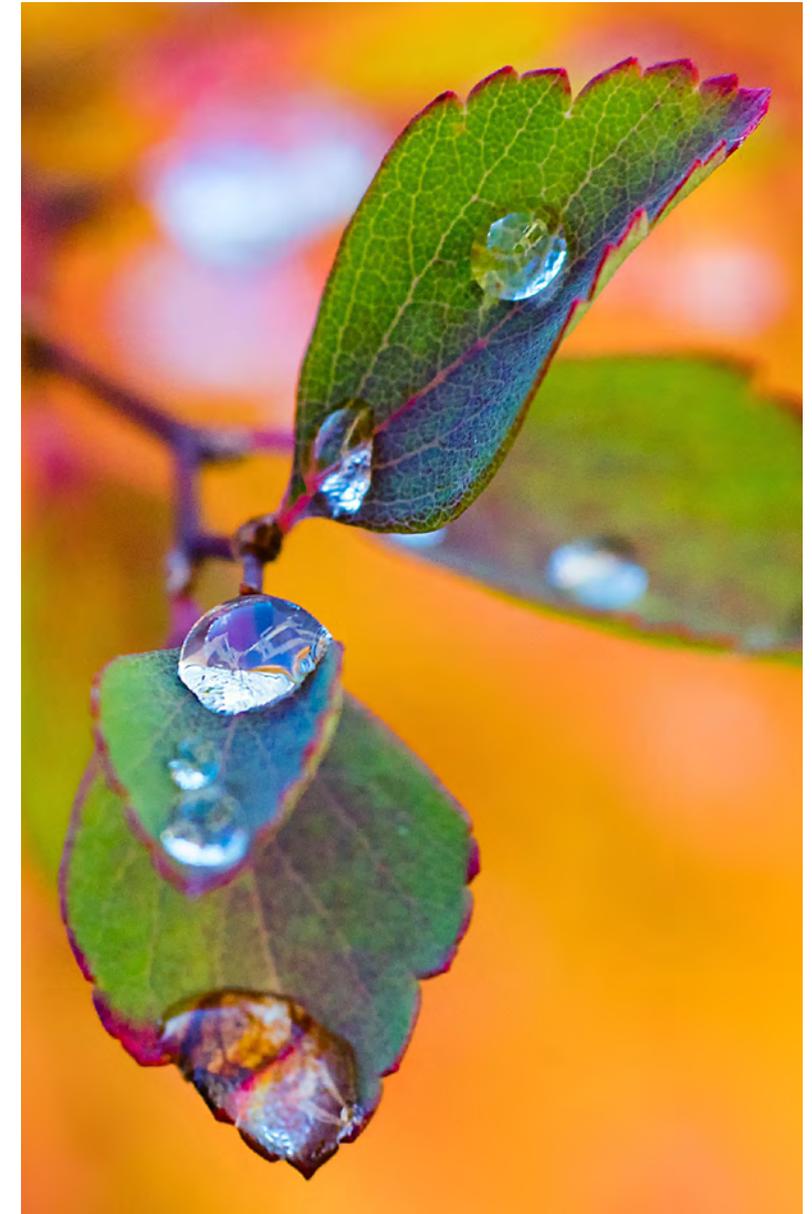
Scope 3 emission reduction measures relate to the reduction of emissions from outsourced products and services, including transport services. The targets and activities related to climate change mitigation have been approved by the Management Board of Harju Elekter.

An explanation of investment supporting the implementation of mitigation measures is provided in the chapter 'Actions and resources in relation to climate change policies' (E1-3). Article 12 of Commission Delegated Regulation (EU) 2020/1818, which exempts compliance with Paris Agreement benchmarks, does not apply to Harju Elekter.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

In 2024 we assessed Harju Elekter's business impact on global warming in the short, medium, and long term through the Double Materiality Assessment.

For each sub-topic described in the sustainability reporting standards, we engaged industry leaders and external environmental experts to identify how our actual or potential impacts, risks, and opportunities related to climate change and adaptation are manifested. We further assessed whether the impacts, risks, and opportunities identified stem from our own operations or from the Group's upstream and downstream value chain.



In the DMA, we identified potential transitional and physical climate risks. Potential climate-related physical risks, such as floods, storms, extreme weather conditions, fires, and rising temperatures can pose financial risks to the company if they materialize. Based on the 2024 preliminary assessment, it is unlikely that these risks would have a significant impact on the Group. In 2025, we reviewed the risk assessments carried out and found that the risks and impacts identified in the previous year had not changed significantly during the reporting year. Based on this and due to resource constraints, the company is postponing the more comprehensive resilience analysis to 2026.

Due to our field of activity, where the share of outsourced materials and the volume of electricity transmitted in our products is large, the majority of the GHG emissions of Harju Elekter are generated in scope 3 categories (upstream and downstream indirect emissions). The amount of downstream emissions is mostly affected by the energy consumption during the lifetime of our products in their use phase. Scope 1 and 2 emissions (direct emissions) have less impact. We have conducted preliminary assessments of the emission reduction potential within our value chain. During the reporting year, we continued the preparatory work started in 2024 to assess the Group's capability to reduce value chain emissions.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1)

The process of assessing climate-related impacts, risks and opportunities was carried out in 2024 and included the following important steps: the analysis of historical scope 1 and 2 data and the mapping and analysis of Scope 3 categories. Greenhouse gas emissions and their effects on climate change were evaluated following the Greenhouse Gas Protocol standard.

Harju Elekter based its mapping and assessment of physical risks related to climate change on Estonia's future climate scenarios until 2100 and the Group's sites. Estonia's future climate scenarios up to 2100 were prepared in 2015 based on RCP4.5 (baseline) and RCP8.5 scenarios as of that time. According to the assessment, there were no significant physical climate risks to the companies' sites. The main focus of the assessment was on the risks affecting real estate and people. In general, the impacts of climate change on real estate and people in the Group's operating countries are not extensive, based on the projections referred to above. In Harju Elekter, temperature-related risks are mitigated, as employees are guaranteed an indoor climate suitable for performing their duties.

In Estonia, floods and storms are considered the biggest threat to real estate. As a result, we assessed the flood risks, but none of the Group's sites are located in the flood risk area, therefore, it is unlikely that the floods could endanger the property of Harju

IMPACTS, RISKS, OPPORTUNITIES, AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

<p>Positive impact</p> <ul style="list-style-type: none"> Working towards the EU climate targets Manufacturing distribution equipment to support electrification and the transition to environmentally friendly solutions Investing in renewable energy production Existing solar parks and their maintenance Manufacturing and installing EV-chargers for electric vehicles Optimising electricity and heat consumption in the Group Establishing energy-efficient buildings and making existing buildings more energy efficient (lighting, heating, and ventilation systems) 	<p>Risks</p> <ul style="list-style-type: none"> Customer expectations concerning the reduction of the environmental impact of products (e.g. reducing the carbon footprint and limiting the use of virgin raw materials, increasing the share of recycled materials) are changing rapidly Global and European Union regulations and taxation of GHG emissions
<p>Negative impact</p> <ul style="list-style-type: none"> Scope 1 and 2 GHG emissions related to our business activities GHG emissions from Scope 3 categories (upstream and downstream emissions) 	<p>Opportunities</p> <ul style="list-style-type: none"> The opportunity to diversify the product portfolio, develop in new business directions, increase profits, and expand the customer base

Elekter. In addition, we assessed the risk of wildfires in the Group's areas of operation using the Copernicus Wildfire Risk Viewer, according to which none of the Group's companies are located in an area with a high risk of forest fires.

As regards the physical climate risks associated with the value chain, the Group assessed the risk as generally significant, but due to the fact that the Group currently lacks transparency concerning the upstream stages of its value chain, it is currently not possible to assess more precisely which parts of the value chain are affected by specific physical climate risks.

In our DMA analysis in mapping and assessing the impacts, risks, and opportunities associated with climate change, we proceeded from the time horizons established in ESRS 1: short-term, medium-term, and long-term. For the short-term, the period is 1 year, for the medium-term up to 5 years, and for the long-term, more than 5 years. For buildings, a long-term time horizon of 33 years was considered.

The Group based its identification and assessment of transition risks on current market trends, including customer expectations, strategic plans, and policy directions in Estonia and the rest of Europe. The analysis was not carried out on the basis of climate-related scenarios. As a result of the analysis, the Group identified rapidly changing customer preferences as a significant risk: products with a lower carbon content, verified carbon footprint calculations, and energy efficiency certificates for products. Harju Elekter is also subject to global and European Union regulations, failure to comply with which may result in financial risks.

Policies related to climate change mitigation and adaptation (E1-2)

Harju Elekter's environmental policy addresses impacts related to the environment and climate change. It aims to reduce the negative environmental impact of our business and support the Paris Agreement's goal of limiting global warming to 1.5 °C.

Our environmental policy focuses on preventing and reducing negative environmental impacts and managing environmental risks, considering the whole value chain. The environmental policy of Harju Elekter is related to the following impacts, risks, and opportunities.

- Climate change mitigation
- Energy

We have considered the views of stakeholders when designing our environmental policy. We are committed to measuring and monitoring GHG emissions and developing and implementing processes to reduce negative impacts. Environmental policy focuses on optimizing energy use and gradually transitioning to renewable energy but does not address climate change adaptation. Group's Management Board oversees impact monitoring, risk management, and environmental policy implementation within the Group. We also expect our suppliers to follow environmental protection practices and the Code of Conduct of Harju Elekter. The Code of Conduct and the environmental policy of Harju Elekter are published on the company's website.

Actions and resources in relation to climate change policies (E1-3)

One of the strategic focus topics of Harju Elekter is the environment. The activities prioritized in the sustainability strategy are linked to the highest contribution to GHG emissions.

As a result of the environmental impact assessment carried out in 2024, we identified the main environmental aspects as the consumption of electricity and heat energy in the production facilities, the components and materials used in the products, the generation of waste, and the use of transport services for delivering the products. Based on the outcome of the assessment, we selected key indicators for the most significant impacts and set targets to help reduce negative environmental impacts and mitigate climate change.

The main climate change mitigation measures adopted during the reporting year and planned are the GHG emission reduction activities in scope 1, 2, and 3. The levers for reduction are:

- Reducing the use of fossil fuels and replacing them with environmentally friendly ones: upgrading machinery and replacing old equipment with more energy-efficient ones (scope 1)
- Reducing electricity and heat consumption: optimizing room temperatures, gradually switching lighting solutions to LED lighting, designing energy-efficient buildings, and increasing

the energy efficiency of existing buildings (renovating, investment in energy-efficient equipment) (scope 1, 2)

- Reduction of energy-related (outsourced electricity, heating, cooling) GHG emissions from the transition to renewable energy (scope 2)
- Product development and cooperation with partners to reduce GHG footprint of products (scope 3)
- Increasing the share of renewable energy produced and purchased in the Group

In order to reduce its greenhouse gas footprint, Harju Elekter contributes to the production and use of renewable energy. By investing in solar panels, the Group reduces its carbon footprint and saves the company's overall energy costs.

In the real estate segment, our goal is to ensure sustainable and modern production and office spaces for our employees and industrial real estate clients. We have replaced and plan to replace electricity and heating contracts based on non-renewable energy sources with renewable energy contracts in buildings where possible. The use of solar energy accounts for an increasing share of the Group's current energy consumption and that of its tenants. Within the Group, electricity and heat consumption is reduced through the development of smart and sustainable technologies and energy-efficient buildings. In addition to the buildings used by subsidiaries, it is also important to ensure energy efficiency for industrial real estate development, in accordance with the energy efficiency requirements applicable to buildings. The Group will continue to install solar parks on new and renovated production facilities.

During the reporting year, Harju Elekter's portfolio of solar power plants increased by 155.08 kW, bringing the total renewable

energy generation capacity to 3,052.2 kW. In 2025, the Group's solar panels produced a total of 2,314.8 MWh of electricity, of which 217.96 MWh was used for own consumption.

In cooperation with our customers, we can reduce GHG emissions related to our products and services. In 2024, we started calculating the carbon footprint of our products to ensure the transparency of the environmental impact of Harju Elekter's products to stakeholders and to identify ways to reduce the negative impact. As the process is time consuming, it will continue in 2026. The preparation of the product Life Cycle Assessment (LCA) and environmental declarations, i.e. the Environmental Product Declaration (EPD), allow the manufacturing companies of Harju Elekter to map and reduce the GHG emissions of their products, while at the same time providing a comprehensive overview of the environmental impacts of products. The product LCA analyses emissions throughout the product life cycle, allowing for the largest sources of emissions to be identified and the best solutions found to reduce them. The EPD provides transparent information on the environmental impact of a product, which helps to set goals to reduce negative impacts and compare results with other similar products. Based on the calculated data, informed decisions can be made in reducing GHG emissions, as well as finding ways to design and manufacture more environmentally friendly products.

The largest share of GHG emissions from our upstream supply chain come from hard-to-impact sectors where the availability of renewable energy varies. We have mapped out the ambitions of our key suppliers to assess and reduce their environmental impacts. We also intend to focus on suppliers from whom we purchase the largest share of input materials needed for production and who are part of the segments that produce the most GHG emissions in our supply chain. We plan to continue to update the procurement conditions with the main suppliers, taking into account sustainability topics.



We have set goals, and allocated and planned resources to reduce GHG emissions, identify additional opportunities, and implement them within the Group. As a result of our activities, we contribute to the reduction of scope 1, 2 and 3 GHG emissions. We reduce the emissions associated with our activities (scope 1 and 2) by optimizing energy consumption and increasing the share of renewable energy in energy consumption. We invest in heating and ventilation solutions, replace existing lighting with new and more energy-efficient ones. In cooperation with our customers, we will continue with our product carbon footprint calculations and product development to increase the energy efficiency of our products and provide customers with even more sustainable alternatives. We also plan to support our upstream and downstream value chain participants in developing tools/levers to reduce environmental impacts. As of 31 December 2025, no long-term investment plan has been approved for the implementation of the measures. The process is ongoing, and we aim to ensure that the planned investments are aligned with economic forecasts, partner strategies, and sustainability objectives. Consequently, the approval of the long-term investment plan has been postponed, and a precise timeline has not yet been determined. The targets are described in chapter [SBM-1](#).

The impact of the implementation of the measures on the reduction of achieved GHG emissions is not presented in the report, because Harju Elekter designated 2024 as the base year of GHG scope 1, 2, and 3, against which the mitigation results will be compared. The implementation of the measures is expected to result, by 2030, in a reduction in GHG emissions of 20% in categories 1 and 2 and 15% in category 3 compared to 2024. During the reporting year, Harju Elekter did not incur significant capital and operating expenses related to the implementation of the measures.

Targets related to climate change mitigation and adaptation (E1-4)

To address the impacts, risks, and opportunities related to climate change mitigation, Harju Elekter has established strategic targets for reducing GHG emissions.

Our targets are to reduce our scope 1 and 2 GHG emissions by 20% (based on the market-based estimation method) and scope 3 emissions by 15% per turnover (relative carbon intensity indicator; final to be determined based on the 2024 data) by 2030 (base year 2024). We assess progress using an intensity ratio. The relative indicator of carbon intensity also makes it possible to consider future trends, such as changes in turnover numbers, without affecting the achievement of the GHG emission reduction targets.

In setting our strategic targets, we have relied on market practices and our previous progress in reducing our carbon footprint. The temporary increase in emissions during the reporting period does not affect our strategic objectives, as the assessment indicates that the established targets remain achievable and the measures implemented to date allow us to continue progressing toward these strategic goals. We have also taken into account future trends, including changes in sales volumes, customer preferences and demand developments, regulatory factors, and new technologies. At the time of preparing the report, the approved targets had not undergone external validation due to limited resources (SBTi – Science Based Targets initiative). Science Based Targets will be set after the adoption of the new reporting standard's transitional provisions.

Our main category 1 and 2 GHG emissions stem from the consumption of electricity and heat from production buildings and office spaces. It is planned to gradually increase the share of renewable energy purchased and produced by the Group, and it is also planned to reduce energy consumption in the Group's companies.

In the case of the scope 3 categories, achieving the goals and changes is more difficult, as it requires Harju Elekter to allocate a significant amount of resources and cooperation with customers concerning input materials and their environmental impact. We ensure that all production companies of Harju Elekter have integrated environmental topics into their management system and have a valid ISO 14001 Environmental Management System certificate.

The sustainability strategy of Harju Elekter for 2022-2026 was replaced by the 2030 strategy, and a new base year, 2024, was set due to the specification of the initial data. The previous base year for scope 1 and 2 was 2021.

Energy consumption and mix (E1-5)

The energy consumption of Harju Elekter is mainly due to production activities taking place in production buildings. Information on energy consumption is based on meter readings and reports from service providers. The same scope has been applied to the calculations for GHG scope 1 and 2.

Energy consumption and mix	2025	2024
(1) Fuel consumption based on crude oil and petroleum products (MWh)	692.1	588.0
(2) Fuel consumption from natural gas (MWh)	490.0	349.9
(4) Fuel consumption from other fossil sources (MWh)	0.0	0.0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	6,490.0	7,396.1
(6) Total fossil energy consumption (MWh) (calculated as the sum of rows 1–5)	7,672.1	8,334.0
Share of fossil sources in total energy consumption (%)	84.3	89.3
(7) Consumption from nuclear sources (MWh)	310.0	85.0
Share of nuclear energy sources in total energy consumption (%)	3.4	0.9
(8) Fuel consumption from renewable sources (MWh)	0.0	0.0
(9) Consumption of purchased electricity, heat, steam, and cooling from renewable sources (MWh)	1,115.0	999.0
(10) Consumption of self-generated renewable energy for purposes other than fuel (MWh)	0.0	0.0
(11) Total renewable energy consumption (MWh) (calculated as the sum of rows 8–10)	1,115.0	999.0
Share of renewable sources in total energy consumption (%)	12.4	10.7
Total energy consumption (MWh) (calculated as the sum of rows 6, 7 and 11)	9,097.1	9,418.0
Total energy consumption from activities in high climate impact sectors per net income of high climate impact sectors (MWh/€)	0.00005	0.00005
Energy production		
Non-renewable energy production (MWh)	0.0	0.0
Renewable energy production (MWh)	2,314.8	2,611.0

The revenue of Harju Elekter is related to activities in high climate impact sectors (listed in NACE sections A–H and L). The energy intensity indicator for high climate impact sectors has been calculated considering the total revenue of the Group (see 'Revenue'). The Group's activities cover the following high climate impact sectors:

- Manufacturing sector
- Electricity, gas, steam, and air conditioning supply
- Construction and Real Estate activities

Compared with Harju Elekter's 2024 energy consumption, the total consumption of fossil energy decreased from 8,334.0 MWh to 7,672.1 MWh in 2025. The change was mainly driven by a reduction in purchased fossil-based electricity, heating and cooling, which fell from 7,396.1 MWh to 6,490.0 MWh. At the same time, the consumption of fuels based on crude oil and petroleum products increased by 17.7%, and the consumption of natural gas-based fuels increased by 40.0%. The rise in natural gas consumption was related to annual temperature fluctuations, while the increase in crude oil and petroleum-based fuels was linked to higher sales volumes. The consumption of fuels from other fossil sources remained at zero in both years. The share of fossil sources in total energy consumption also decreased, falling from 89.3% to 84.3%.

The use of nuclear energy increased in 2025. While 85.0 MWh of nuclear based energy was consumed in 2024, consumption rose to 310.0 MWh in 2025. As a result, the share of nuclear energy in total energy consumption increased from 0.9% to 3.4%. This rise was driven by the increased use of nuclear energy in the Finnish production unit, which in turn reduced the consumption of fossil fuel based energy in production facilities.

The consumption of renewable energy remained stable in the two year comparison. The amount of purchased renewable energy decreased from 999.0 MWh to 1,115.0 MWh. Overall, the share of renewable energy in total energy consumption increased from 10.7% to 12.4%. In contrast, renewable energy production decreased from 2,611.0 MWh to 2,314.8 MWh. The decline in production was mainly due to lower output from solar power plants, caused by reduced solar irradiation compared with the previous year. Additionally, the output of the Swedish plant was lower than expected, further contributing to the overall decrease in generation.

Total energy consumption decreased from 9,418.0 MWh in 2024 to 9,097.1 MWh in 2025, representing a 3.41% reduction. The energy-use intensity of high-climate-impact sectors relative to net revenue remained unchanged compared with the previous reporting year: 0.00005 MWh/€ in 2024 and 0.00005 MWh/€ in 2025.

Total GHG emissions (E1-6)

The Group's GHG emissions have been calculated in accordance with the Ministry of Climate's GHG footprint assessment model and the internationally recognized Greenhouse Gas Protocol, the most commonly used global standard for measuring and managing GHG emissions from business, value chains, and mitigation measures.

The standard covers the assessment of emissions of seven greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), nitrogen fluoride (NF₃). Scope 1 includes direct emissions from sources owned or controlled by the company and scope 2 consists of indirect GHG emissions of purchased energy. Emissions under the operational and financial control principle, which are managed by Harju Elekter, have been considered. Scope 1 and 2 emissions were calculated using location-based and market-based approach and the emissions have been calculated using paid international databases (Ecoinvent and Exiobase) and up-to-date specific emission factors for host countries. The GHG emission intensity is calculated using the Group's revenue (see 'Revenue').

The Group's Management Board, sustainability manager, field managers, environmental specialist, and external environmental

expert participated in the mapping of the categories of scope 3. As part of the process, the areas of activity of the Group's companies and the relevant upstream and downstream categories were mapped. According to the areas of activity, the Group's companies are divided into manufacturing companies, and companies engaged in the development and management of industrial real estate. The decision-making process for determining the important categories of scope 3 took into account the scope 3 mappings and calculations carried out in 2023 by AS Harju Elekter.

The mapping of Scope 3 categories was carried out in 2024. As part of the process, the business areas of the Group's companies and the relevant upstream and downstream categories were identified. Since the Group's business areas have not changed during the reporting year, the same mapping will be used for the 2025 report.

Material categories of scope 3 of Harju Elekter, which were included in the calculation:

- Purchased goods and services
- Capital goods
- Fuel and energy related activities (which are not included in Scope 1 or 2)
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transportation
- Use of sold products (the normal load of the products during their lifespan was calculated to be 51%)
- End-of-life treatment of sold products
- Downstream leased assets

Based on the Scope 3 mapping, a total of 15 categories were considered, of which the processing of sold products, franchises, and investments were deemed insignificant. Upstream leased assets were excluded from Scope 3 and accounted for under Scope 2. For downstream leased assets, emission calculations were based on building floor areas. For the end-of-life treatment of sold products, assessments provided by the Group's engineers were used. End-of-life emissions were not calculated, as it was assumed that there is no requirement to report greenhouse gas emissions related to landfilling separately. For downstream transportation and distribution, it was determined that the Group's companies do not pay for outbound deliveries; therefore, the related emissions do not fall under Harju Elekter's Scope 3.

In the Scope 3 category relating to end-of-life greenhouse gas emissions of sold products, the assessment was based on information provided in the environmental product declarations (EPDs) of the sold products, as well as the engineering expertise of the Group's employees to determine end-of-life treatment methods. Based on this information, it is assumed that the majority of materials are either recycled or landfilled at the end of their lifecycle. Greenhouse gas emissions associated with recycling fall outside the Group's reporting boundary, and the types of materials used in the products do not provide grounds to assume the generation of GHG emissions during landfilling. The calculation of emissions from the use of sold products is based on typical load profiles determined by product-group engineers for the entire lifecycle of the equipment. These energy consumption assumptions are multiplied by the European average electricity emission factor, to which an additional emission component from the use of SF₆ gas is added.

For the materiality criteria, the GHG Protocol standards and guidance were followed. For the Scope 3 categories included in the calculation, both spend-based and activity-based approaches

were applied to determine greenhouse gas emissions. The emission factors used were sourced from national GHG footprint models, specialized paid databases, product environmental declarations (EPDs), supplier-provided primary data, as well as other relevant studies, reports, and literature.

Market based emission factors were used in the Scope 3 calculations. The emission factors were primarily derived from international databases, EPDs, and publicly available country specific emission factor tables. In the international databases and EPD methodology, the IPCC 2021 framework was applied, using the Global Warming Potential over 100 years (GWP100) as the indicator.



	2025	2024
Scope 1 GHG emissions		
Scope 1 total GHG emissions (t CO ₂ eq.)	244.34	221.43
Scope 2 GHG emissions		
Location-based measured scope 2 total GHG emissions (t CO ₂ eq.)	7,493.71	7,536.07
Market-based measured scope 2 total GHG emissions (t CO ₂ eq.)	6,152.79	6,367.68
Material scope 3 GHG emissions		
Scope 3 total GHG emissions (t CO ₂ eq.)	76,266,938.31	66,000,279.78
Purchased goods and services (t CO ₂ eq.)	39,057.91	32,803.29
Capital goods (t CO ₂ eq.)	755.83	184.30
Fuel and energy-related activities (not included in scope 1 or 2) (t CO ₂ eq.)	388.13	459.73
Upstream transportation and distribution (t CO ₂ eq.)	1522.12	4,937.41
Waste generated in operations (t CO ₂ eq.)	301.98	241.72
Business travel (t CO ₂ eq.)	87.35	46.38
Employee commuting (t CO ₂ eq.)	694.49	686.91
Upstream leased assets (t CO ₂ eq.)	0.00	0.00
Downstream transportation and distribution (t CO ₂ eq.)	0.00	0.00
Processing of sold products (t CO ₂ eq.)	0.00	0.00
Use of sold products (t CO ₂ eq.)	76,224,118.01	65,960,903.88
End-of-life treatment of sold products (t CO ₂ eq.)	0.00	0.00
Downstream leased assets (t CO ₂ eq.)	20.07	16.16
Franchises (t CO ₂ eq.)	0.00	0.00
Investments (t CO ₂ eq.)	0.00	0.00
Total GHG emissions		
Total GHG emissions (location-based) (t CO ₂ eq.)	76,274,676.36	66,008,037.28
Total GHG emissions (market-based) (t CO ₂ eq.)	76,273,335.44	66,006,868.89
GHG intensity per net revenue		
Total GHG emissions (location-based) per net revenue (t CO ₂ eq. / net revenue)	0.44	0.38
Total GHG emissions (market-based) per net revenue (t CO ₂ eq. / net revenue)	0.44	0.38

In 2025, the Company’s value chain greenhouse gas emissions increased compared with 2024 across several categories, with the use of sold products remaining the largest source of emissions. Emissions associated with purchased goods and services increased from 32,803.29 tons CO₂ equivalent to 39,057.91 tons CO₂ equivalent, primarily driven by higher material procurement volumes at the Estonian production unit. Emissions from capital goods rose from 184.30 tons CO₂ equivalent to 755.83 tons CO₂ due to the acquisition of a wire cutting machine at the Lithuanian production unit.

Emissions from fuel and energy related activities not included in Scopes 1 or 2 decreased from 459.73 tons CO₂ equivalent to 388.13 tons CO₂ equivalent.

Transport and distribution emissions in upstream value chain stages decreased significantly, dropping from 4,937.41 tons CO₂ equivalent to 1,522.12 tons CO₂ equivalent, due to improved data quality and better availability of supplier carbon reports.

Waste related emissions increased moderately from 241.72 tons CO₂ equivalent to 301.98 tons CO₂ equivalent. Business travel related emissions also increased, reaching 87.35 tons CO₂ equivalent compared with 46.38 tons CO₂ equivalent in 2024. Employee commuting emissions rose slightly, from 686.91 tons CO₂ equivalent to 694.49 tons CO₂ equivalent.

The use of sold products remained the largest emission source in 2025. Emissions in this category increased from 65,960,903.88 tons CO₂ equivalent to 76,224,118.01 tons CO₂ equivalent, accounting for the vast majority of total value chain emissions. The increase mainly resulted from higher production volumes in Estonia and Finland, combined with increased annual energy consumption of products. Progress toward the 2030 target relies primarily on the contribution of grid operators in developing the

network, which reduces the emission factor in the use phase and supports a decrease in emissions per revenue unit. The emission factor was not updated in 2025 and is reviewed every two years. Currently, the European average emission factor is used, but given the continued shift in sales volumes toward Scandinavia, it will be reassessed in the coming years. Emissions related to leased assets

in downstream value chain stages increased slightly from 16.16 tons CO₂ equivalent to 20.07 tons CO₂ equivalent.

Harju Elekter has no GHG removal or reduction projects financed through carbon credits. The Group also does not apply an internal carbon price.





E5 Resource use and the circular economy

Humanity consumes natural resources faster and in a greater quantity than planet Earth can sustainably provide. The economical use of resources makes it possible to cover the needs of the present without compromising the ability of future generations to meet their needs.

At Harju Elekter, we are committed to the efficient use of resources and the implementation of the principles of the circular economy. The results of the DMA-analysis carried out in 2024 showed that resource use and the circular economy are also important topics for our stakeholders.

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities (IRO-1)

Resource use and the circular economy are important topics, as the business of Harju Elekter is related to input materials, some of which have not been reused and are in use for the first time.

We are committed to reducing the use of such materials and promoting reusability and circularity.

To identify significant IRO-s, we first mapped in 2024 the main input resources of production and then the associated actual and potential impacts based on the global value chains of the resources. The main resource impacts come from the Group's upstream value chain, for which information could not be obtained with reasonable effort. We have mapped the views and feedback of local communities near our sites using both indirect and direct methods. The main activity of Harju Elekter is providing electricity distribution solutions to business customers, and our production units are located in four countries: Estonia, Finland, Sweden, and Lithuania. As regards the main input materials and resource use, there are no significant differences between the Group's sites.

Policies related to resource use and the circular economy (E5-1)

Topics related to resource use and the circular economy are part of the environmental policy of Harju Elekter and no separate policy has been created. The environmental policy covers the Group and the Group's sites and is an integral part of the sustainability strategy.

In 2024, we began measuring the quantities of materials required for the manufacturing and packaging of our products, and in 2025, the Estonian production unit developed a system that enables these data to be consolidated and analyzed in a unified manner, allowing for more accurate monitoring of resource use. Resource planning and their economical use are integrated into the management systems of the Group's manufacturing companies. The Management Board of Harju Elekter is responsible for ensuring that the policy related to resource use and the circular economy is implemented in all Group companies.

The goal of Harju Elekter is to offer its customers safe, flawlessly functioning, and long-lasting solutions that would be sustainable from the point of view of society and the environment at the same time. The lifetime of electrical installations is calculated at 40 or more years, which means that it is necessary to consider the future reserve and the handling of materials at the end of the life cycle of the products when creating solutions. Extended lifetime and a higher percentage of reusable materials contribute to reducing the environmental load on electrical installations. With the development of new technologies and the increasing demand for environmentally friendly solutions in our field of activity, materials that are less burdensome for the environment are also being introduced.

materials are copper and steel, which are essentially reusable materials. Metals can be repeatedly recycled and endlessly reused without changing their properties or durability. Metal recycling reduces the amount of waste and primary raw materials that are landfilled. Much of the steel used in the European Union is already of reused origin.

The Group's environmental policy does not currently include an action plan on resource use and the circular economy, with quantitative targets for the abandonment of primary raw materials and the sustainable sourcing of renewable resources.



Extract from the environmental policy of Harju Elekter regarding resource use and the circular economy:

'When designing products and solutions, we consider durability important, considering the sustainability of the components. We are reducing the amount of waste generated and trying to ;increase the rate of reuse and recycling. We are applying the people of the circular economy to combat resource scarcity.'

Actions and resources related to resource use and the circular economy (E5-2)

We have set the goal of reducing the environmental impact of our products and optimizing the use of input resources and materials.

We plan to increase the share of environmentally friendly materials in our products and packaging, further extend the life of our products, create additional possibilities for reuse and recovery, and reduce the amount of waste generated in the production process and packaging of products. In addition to the managers responsible for resource use and the circular economy issues in their department, we have involved the Group's environmental specialists and external experts in the process of assessing IRO-s and planning measures.

By enhancing processes, we reduce material waste within the Group and increase the use of sustainable input resources both in our products and as packaging materials. We have allocated funds to assess and improve the resource use and circular management of our products. In 2025, we continued measuring and analyzing the quantities of these materials to further improve our circular economy practices and resource use efficiency. The Group's team of product managers, in cooperation with external environmental experts, assess the environmental impact of our products throughout the life cycle and develop ways to improve the circularity of products. Environmental impact assessment of products and disclosure of third-party validated environmental declarations (EPDs) allow customers to make environmentally sustainable choices. When making improvements related to resource use and the circular economy, the manufacturing companies of Harju Elekter largely depend on the needs and expectations of customers. In cooperation with our customers,

we direct suppliers of materials and components to use more recycled materials, thereby making our products more recyclable. In 2024, we started compiling the Life Cycle Assessment (LCA) and the EPD of our products. Due to the time consuming nature of the process, it will continue in 2026.

For Harju Elekter, the recovery of resources and the correct recycling of waste are important, considering the principles of the waste hierarchy. Two types of waste are generated in the Group's manufacturing units: manufacturing waste and municipal waste. During manufacturing processes, waste is generated, which includes metal waste (e.g. steel and copper), plastic waste, hazardous waste, and packaging material waste (film, cardboard, paperboard), which is sorted and either reused or recycled. Metal waste is sent for smelting. The generation of metal and packaging waste is reduced by optimizing production processes, and a large proportion of packaging materials are recycled both within the Group and after the products have been released to the customer.

Municipal waste is generated as a result of non-production activities and is sorted in dedicated containers. In order to sort municipal waste more efficiently, we have removed separate bins from office space and replaced them with special sorting centers. We use circulating containers with some suppliers. Waste management manuals, training materials, labelled waste containers and boxes have been prepared to control waste sorting, and we also train our employees according to the procedure prescribed in the management system. The companies have contractual and responsible partners for waste management, who provide information about waste to the Group's companies, but it is difficult for Harju Elekter to influence the further management of waste.

Targets related to resource use and the circular economy (E5-3)

In 2024, by updating our DMA analysis and sustainability strategy, we mapped out our stakeholders' resource use and the circular economy targets.

The Group's material impacts, risks, and opportunities are mainly related to outsourced materials and waste. In 2024, we started measuring the quantities of input materials across the Group and by 2025 this can be carried out in all production units. It includes the main materials characteristic of our industry, such as sheet metal and copper, as well as concrete elements and semi-finished electronic products and components. With regard to waste, we collect data on hazardous and non-hazardous waste and its management methods and the associated environmental impact.

The targets set for 2030 will support our resource use and the circular economy policies, as well as addressing impacts, risks, and opportunities.

The objectives are to:

- Reduce and optimize the use of virgin raw materials
- Increase the share of reused and reusable materials in products
- Engage in the circular economy development activities

The objectives concern the following levels of the waste hierarchy: prevention and preparation for reuse. Considering the objectives, we planned possible further actions and will continue to do so in 2025, based on data for 2024. The Group's targets related to

resource use and the circular economy are qualitative and, as of 31 December 2024, there are no quantitative efficiency metrics.

Resource inflows (E5-4)

In 2024, we started mapping and estimating the input and output flows of resources related to the impacts, risks, and opportunities of Harju Elekter. In 2025, a system was created for assessing the quantities.

The main inputs that the Group's companies use in their products are sheet metal, copper, electronic components, and concrete elements. The selection of important categories of materials was based on volumes in euros and quantities in tons. Existing databases and measurement data were used to collect the data; estimates were made in the absence of accurate data and quantities. To reduce the need for virgin materials, we will increase the proportion of reused or recycled materials where possible. As of the reporting year, it is not possible to fully distinguish all recycled input materials from non-recycled ones with reasonable effort, as the inputs lack relevant information. There are also no databases for storing the relevant information.

Rare earth elements are not used as input streams within the Group, but copper is classified as a critical raw material in accordance with Annex II to the proposal for Regulation (EU) 2023/0079 of the European Parliament and of the Council.

A comparison of input and output resource flows shows that in 2025, the total mass of products and technical and biological materials used during the reporting period increased to 14,516.94 tons, compared with 11,845.5 tons in 2024. At the same time,

the absolute mass of secondary, reused or recycled materials used in production increased to 117.8 tons (86.2 tons in 2024).

The share of sustainably sourced biological materials remained at 0% in both years. The proportion of secondary, recycled or recovered materials used in product manufacturing increased. While in 2024 this accounted for 0.7%, in 2025 the indicator rose to 0.8%. The change resulted from improved data quality and refined engineering assessments.



RESOURCE INFLOWS AND OUTFLOWS	Unit	2025	2024
Resource inflows			
The overall total weight of products and technical and biological materials used during the reporting period	tonne	14,516.94	11,845.5
The weight in absolute value of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the products (incl. packaging).	tonne	117.8	86.2
The percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the products (incl. packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle	percentage	0.0	0.0
The amount as a percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the products (incl. packaging)	percentage	0.8	0.7

Resource outflows (E5-5)

Harju Elekter contributes to the circular economy with the principle of producing long-term and durable products. When designing any product, consideration is given to the possibility of making it circular as soon as it reaches the end of its life. This will help prevent waste and optimize resource use. Important raw materials in the company's products are copper and steel, which are inherently recyclable materials.

We are committed to reducing the amount of waste generated by the Group and ensuring that as much of the waste as possible is recycled or recovered. We prevent the generation of waste in the compliance of products with the principles of the circular

economy. Of the materials outsourced, the recycling material content is highest in steel. Harju Elekter and increase the amount of recyclable materials. The lifetime of substations is on average 40 years, and for low-voltage products 30 years.

The Group does not assess or measure Harju Elekter follows responsible and environmentally friendly principles in waste management. In the Group's companies, waste is collected in accordance with the waste collection procedure established in the national legislation and the requirements of partners. This ensures the correct sorting and processing of waste, which subsequently allows for the maximum recovery of materials. Data related to waste comes from service providers' invoices and waste reports.

In 2025, waste management results remained at a similar level compared with 2024. The total volume of recycled waste reached

973.98 tons in 2025, slightly below the 2024 level (1,053.50 tons). The recycling rate increased from 89.97% to 90.56%. For hazardous waste, 0.90 tons were recycled in 2024 and 3.30 tons in 2025, with the increase resulting from higher volumes of hazardous waste disposed of at the beginning of the year in the Estonian production unit. In contrast, the volume of recycled non-hazardous waste decreased from 1,042.60 tons to 970.68 tons.

The volume of non-recycled waste decreased to 86.74 tons in 2025 compared with 117.50 tons in 2024, and its share of total waste fell from 10.03% to 9.44%. The amount of non-recycled hazardous waste increased from 12.20 tons to 15.14 tons, mainly due to higher volumes of incineration. At the same time, the amount of non-recycled non-hazardous waste decreased significantly to 71.6 tons in 2025 (105.30 tons in 2024), as both incineration and landfilling volumes declined.

The total amount of all waste decreased to 1,060.72 tons in 2025 compared with 1,171.0 tons in the previous year. The amount of hazardous waste increased, while the total amount of non-hazardous waste declined. No radioactive waste was generated during the reporting period.

WASTE	Unit	2025	2024
RECYCLED WASTE			
Hazardous waste			
Preparation for reuse	tonne	0.00	0.00
Recycling	tonne	1.88	0.90
Other recovery operations	tonne	1.42	0.00
All recycled hazardous waste	tonne	3.30	0.90
Non-hazardous waste			
Preparation for reuse	tonne	0.00	0.00
Recycling	tonne	970.68	1,042.60
Other recovery operations	tonne	0.00	10.00
All recycled non-hazardous waste	tonne	970.68	1,052.60

WASTE	Unit	2025	2024
NON-RECYCLED WASTE			
Hazardous waste			
Incineration	tonne	15.14	1.30
Landfill	tonne	0.00	10.90
Other disposal operations	tonne	0.00	0.00
All non-recycled hazardous waste	tonne	15.14	12.20
Non-hazardous waste			
Incineration	tonne	40.82	76.00
Landfill	tonne	30.78	27.00
Other disposal operations	tonne	0.00	2.30
All non-recycled non-hazardous waste	tonne	71.60	105.30
Total amount of non-recycled waste	tonne	86.74	117.50
Percentage of non-recycled waste	%	9.44	10.03
Total amount of recycled waste	tonne	973.98	1053.50
Percentage of recycled waste	%	90.56	89.97
Total amount of hazardous waste	tonne	18.44	13.10
Total amount of radioactive waste	tonne	0.00	0.00
Total amount of all waste	tonne	1,060.72	1,171.0

Social Information



S1 Own workforce

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Employees, with their knowledge, skills, experience, and motivation, are the main guarantee for the efficient and effective operation of Harju Elekter, and one of

the foundations of competitiveness and sustainability, which is why the well-being, rights, and development of employees are strategically important.

The strategy of Harju Elekter focuses on sustainable growth, innovation, and responsible management. The strategy, which is based on prioritising the safety of the working environment, employee satisfaction, inclusion, and development, supports the Group's sustainability goals and strengthens its position as a responsible employer.

Occupational health and safety: safe and secure working conditions and environments contribute to the well-being and productivity of employees. Accidents at work and health problems arising from work can lead to work stoppages and affect the reputation of Harju Elekter. We implement strict occupational safety measures: we follow occupational safety standards and carry out risk assessments to reduce the risk of accidents at work and occupational diseases. Regular training and safety instructions are part of a daily work culture.

Employee satisfaction and commitment, development and training: employee satisfaction directly affects productivity and innovation and satisfied and motivated employees contribute to the achievement of strategic goals. Dissatisfaction can lead to workforce turnover and thereby a loss of skills, while increasing recruitment and training costs. We conduct regular satisfaction surveys and offer development opportunities, training and self-improvement, and motivating working conditions. By investing in the continuous development of our employees, we increase our ability to innovate and adapt to market changes. Satisfied and motivated employees provide higher quality services and products. A positive employer image helps to retain existing employees and attract talent in their field. The development of training and new skills supports the digital transformation and technological development of Harju Elekter.

Diversity and inclusion: involving employees from different backgrounds ensures a more creative and dynamic work environment, supporting innovation, effective problem solving and decision-making. A lack of or insufficient involvement can lead to talent leaving and potential reputational damage. We adhere to the principles of equal treatment by promoting an inclusive culture at all levels of management.

Policies related to own workforce (S1-1)

Our activities are guided by the UN Guiding Principles on Business and Human Rights. Our principles are in line with international standards, including the UN Universal Declaration of Human Rights, International Labour Organisation's (ILO) Declaration on Fundamental Rights and Principles at Work, and the OECD Guidelines for Multinational Enterprises.

In our policies and guidelines, we ensure that the activities and business relations of Harju Elekter do not lead to negative consequences for the rights of employees, including labour rights, equal treatment, and a safe working environment. We promote the rights of employees, including the right to collective bargaining, the safety of the working environment, and the prevention of discrimination. The measures concerning the workforce of Harju Elekter are transparent and effective.

The policies established and contracts concluded at Harju Elekter exclude human trafficking, forced labour, and the use of child labour both in their activities and in the supply chain, and ensure that all employees work in accordance with the law, voluntarily, and in fair and good conditions. Compliance with international labour standards and the principles of human rights contributes to the promotion of responsible and ethical business conduct.

The Group has conducted value-based management training sessions at all levels of management in order to support the transfer of the values of Harju Elekter into everyday life. In 2024, the Principles of Recruitment and Selection and the Leadership Guidelines were drawn up to help managers give directions and maintain company values. The guidelines are aimed at creating a unified management culture in all Group companies. The principles of effective management are essential for ensuring sustainable activities and a healthy working environment.

Harju Elekter employs people from different cultural, educational, and professional backgrounds. It is important for us to ensure that no one is discriminated against because of their age, gender, religion, origin, disability, marital status or other circumstances. The Code of Conduct applied all over the Group, and approved and adopted by the Management Board, clearly sets out the principles



for the human rights, diversity, inclusion, and non-discrimination of employees. Among other things, the Code of Conduct also deals with cybersecurity and data protection. The Code of Conduct covers the material impacts associated with our workforce.

Harju Elekter also assesses and takes into account the needs of vulnerable groups of workers, ensuring them equal opportunities and protection. Vulnerable groups may include temporary and part-time workers, temporary agency workers, young and elderly people, people with disabilities, and low-skilled workers. They are protected by measures such as equal treatment, fair remuneration, a safe working environment, and access to training.

All recruitment and promotion decisions adhere to gender-neutral and non-discriminatory qualities based on an equal footing, such

as education, skills and experience, and legal requirements. Competitions to fill vacancies are open to the public, but they are also announced in-house. Employees are encouraged to continuously develop, and the movement of employees between teams is supported.

Occupational safety and employee well-being are one of the priorities of management, which is why the management of occupational health and safety within the Group has been raised to a strategic level. We follow internal working environment and safety guiding principles and procedures and comply with applicable legislation and other relevant requirements. We are committed to ensuring occupational safety and preventing accidents at work in order to create a safe and healthy working environment.

To monitor the effectiveness of the measures, the rate of accidents at work is used, which is calculated per million hours worked. This makes it possible to assess the level of occupational safety and make the necessary adjustments to instructions and procedures in order to reduce the number of accidents at work.

Within the Group, there is a whistleblowing channel that allows employees and other stakeholders to report and fairly resolve breaches and problems.

Occupational accident prevention policies are built on a systematic and sustainable approach to ensure a safe working environment and prevent risks:

- **promoting a culture of occupational safety:** we encourage safety awareness among all employees by organising regular training (and information campaigns) to increase the importance of occupational safety, preparedness to prevent and cope with dangerous situations.
- **risk analysis and prevention methods:** we carry out thorough working environment risk analyses to identify possible hazards in the working environment. The identified hazards are eliminated, or their impact minimised through preventive measures, including the improvement of work processes and the updating of work equipment.
- **registration and analysis of accidents at work:** all accidents at work and other incidents are registered and analysed in order to understand the causes of their occurrence and to prevent the recurrence of similar situations in the future. Learning from the past is one of the key elements.
- **improving the working environment:** we invest in improving the working environment, ensuring modern and safe work equipment and conditions.
- **employee involvement:** employees are encouraged to actively report potential hazards, submit proposals for improving the working environment, and participate in safety discussions and working groups. Involving employees in ensuring safety is an integral part of the work culture.



Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Regular communication with its employees and employee representatives at all levels, including one-on-one meetings and meetings between managers and employees, is important at Harju Elekter.

Employee feedback plays an important role in the Group's organisational culture. In 2025, the employee satisfaction survey was conducted for the third time on a uniform basis across the Group. The Group's total response rate was 86% (2024: 87.2%) and the employee satisfaction index was 61% (2024: 64%). The satisfaction survey is conducted once a year.

In order to collect the expectations and feedback of employees, performance reviews (semi-annual and annual conversations) are conducted at Harju Elekter, during which the need for training is identified and valuable feedback about the company and management is obtained. In 2025, performance reviews took place with 75.6% (2024: 72.8%) of employees.

Employee feedback is used within the Group as an important input for management decision making and for assessing sustainability related risks. The feedback collected helps identify topics that require attention and supports the development of decisions that improve work organization, employee well being, and responsible conduct. Where necessary, processes, work arrangements, or management practices are adjusted to mitigate potential negative impacts. Employee involvement in shaping sustainability policies and objectives also helps ensure that the company's sustainability directions are up to date, realistic, and aligned with the actual needs of the organization.

At Harju Elekter, persons related to personnel have the responsibility to implement and supervise policies and processes related to the well-being of employees. In addition, it will be ensured that the Management Board regularly monitors and assesses the mitigation of employee-related risks and the promotion of development opportunities, based on the principles of sustainability.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

The activities of Harju Elekter can have a significant impact on the workforce, including working conditions, the health, well-being, and development opportunities of employees. Our goal is to ensure that employees feel safe and valued in the work environment.

Open communication and a safe environment where everyone can openly raise issues and concerns are important.

Harju Elekter has clear and transparent processes that ensure that the problems and concerns raised by employees are quickly addressed and improved. Processes support the growth of job satisfaction and security, while being essential to the sustainability and social responsibility of the company.

We have created a whistleblowing channel through which employees have the opportunity to report information suggesting illegal, unethical, and fraudulent behavior, both anonymously and by name, without facing retaliation. Employees also always have the opportunity to contact their immediate manager, the HR

department, or the Group's legal adviser directly to discuss work-related problems and concerns.

It is important for Harju Elekter that employees not only have access to the channel for reporting misconduct and the persons mentioned, but that they are also aware of these opportunities, have the confidence and psychological security to use them, if necessary. The whistleblowing channel is available to all employees on the Group's intranet and website. The effectiveness of the channels is assessed through regular review by the Group's legal adviser, who, if necessary, makes proposals to improve the effectiveness of the channel by raising the awareness of employees.

We take all appeals seriously and ensure that the investigation and its results take into account the needs of all parties involved. Data about incidents are securely protected and confidential, and access to them is granted to the Group's legal adviser and, if necessary, a person appointed by the channel operator. All complaints and problems submitted are registered and systematically monitored. Each case is answered and, if necessary, improvement measures are taken.

Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to our own workforce, and the effectiveness of those actions and approaches (S1-4)

At Harju Elekter, we consider it important to ensure a work-life balance for our employees, which contributes to their well-being and ability to work. People whose

duties allow them can choose between flexible forms of work, such as combining home office and office work.

In order to support mental and physical health, we offer various benefits: starting from 2022, employees of companies located in Estonia will be offered health support, as part of which they can choose between sports support or additional health insurance, according to their needs. In addition, the companies have health rooms with massage chairs and other supporting fixtures to relieve forced positions.

To support employee well being and mental health, additional indoor and outdoor relaxation areas have been developed, providing opportunities to step away from the regular work environment and rest in a calm and safe setting. The need to expand these rest areas was identified in an internal occupational safety and work environment audit at Harju Elekter's Estonian factory, which highlighted the need to offer employees better recovery opportunities. The aim of these initiatives is to create a healthier and more employee friendly work environment that supports both daily well being and the preservation of work ability.

The company's occupational safety and health strategy focuses on preventing risks and protecting employees from accidents at work and occupational diseases. All workplaces are equipped with modern security equipment; employees regularly undergo safety training and occupational safety audits. In order to maintain the health of employees, prevent risks, and promote their well-being, regular health checks are carried out, flexible working conditions are provided, and other health initiatives are taken.

Mental health first aiders have also been trained at Harju Elekter's Estonian factory. Mental health first aiders are colleagues who act as trusted persons—people employees feel comfortable approaching with both major and minor concerns, and who are prepared to listen, support, and offer guidance. The mental health first aiders have been trained by the MTÜ Peasi.

We focus on preventing stress and fatigue in our employees, as excessive workload and related stress are a significant risk. In 2023, a workload assessment was carried out in all departments to identify risks of overload. The company pays great attention to employee feedback and the handling of complaints. We conduct annual satisfaction surveys and focused discussions to identify concerns at an early stage. Employee representatives are involved in discussions about any changes in order to ensure their perspective, anticipate potential risks, and find the best solutions. With such measures, we ensure a healthy working environment and reduce possible risks.

Employee development opportunities are important for the sustainability of the company. We support the continuous professional growth of our employees by providing training programs and continuing education opportunities. We create opportunities for employee promotion and professional development within the company. We pay special attention to increasing employee diversity and engagement in order to maximise the potential of employees and increase the success of the company.

We contribute to raising the awareness of employees in the field of cybersecurity and data protection by organising relevant internal training sessions that help to ensure the safety of both employees' personal data and the company, as well as to strengthen employees' knowledge and emphasise the importance of topics.

We regularly evaluate the effectiveness of the measures implemented to ensure their impact on our employees. Through employee feedback, we determine areas for improvement and implement measures. Through constant feedback and evaluation of measures, we are able not only to reduce negative impacts, but also to create an environment where employees can fully realise their potential.

Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities (S1-5)

The involvement of employees is an important part of shaping the strategic and operational goals of Harju Elekter. At Harju Elekter, open communication and dialogue between different levels is encouraged, ensuring that the opinions, experiences, and suggestions of employees are integrated into the decision-making processes.

- Creating a Group-wide database and analysis tool. The goal is to bring together the occupational health and safety tools, guides, and reporting environment.
- Occupational health and safety · Group-wide leadership development and e-learning programs
- Group-wide harmonisation of governance principles, value-based behavior, and management
- Regular organisation of internal training (Code of Conduct, data protection, cybersecurity) · Creating a Group-wide collaborative interview system
- Creating a transparent system for pay gap analysis

Through regular performance reviews, employees have the opportunity to express their opinions and offer ideas that can affect the management principles of the company, training programs, and the working environment. Through periodic satisfaction surveys, the company has the opportunity to understand the expectations of employees and find ways to improve working conditions and management processes.

Discussions organised by managers of different levels provide employees with the opportunity to submit proposals and receive explanations about the goals of the company. The development of employees is supported through internal training and e-learning programs, which allows them to contribute to the innovation of the company.

Characteristics of the undertaking's employees (S1-6)

If in 2024 the number of employees decreased by 146 people, then at the end of the reporting period Harju Elekter employed 830 people (2024: 821), which is 9 employees more than a year earlier.

In Lithuania, the number of employees decreased due to reduced production volumes. At the same time, production volumes increased in Estonia, which made it necessary to recruit additional workforce, and the need for extra labour also grew in Finland.

During the reporting period, employment contracts with 79 (2024: 224) employees were terminated, of which 70 (2024: 120) were terminated at the request of the employee. In 2025, voluntary workforce turnover was 8.4% (2024: 13.4%)

Number of employees by country:

Country	31.12.2025	31.12.2024
Lithuania	260	294
Estonia	325	290
Finland	194	181
Sweden	51	56

The number of employees includes members of the Management Board.

Head count by gender distribution:

Gender	31.12.2025	31.12.2024
Men	625	607
Women	205	214
Other	-	-
Not reported	-	-
Total number of employees	830	821

The number of employees includes members of the Management Board.

The total number of employees based on gender distribution is women/men and it is not possible for the employee to choose other characteristics, hence there is no reported 'other'.

Employee data by type of contract by gender distribution:

31.12.2025	Women	Men	Other	Not disclosed	Total
Head count	205	619	-	-	824
Number of permanent employees	203	600	-	-	803
Number of temporary employees	2	19	-	-	21
Number of non-guaranteed hours employees	-	-	-	-	-

Employee data does not include members of the Management Board.

31.12.2024	Women	Men	Other	Not disclosed	Total
Head count	214	603	-	-	817
Number of permanent employees	213	595	-	-	808
Number of temporary employees	1	8	-	-	9
Number of non-guaranteed hours employees	-	-	-	-	-

Employee data does not include members of the Management Board.

Unless otherwise indicated, all numbers are reported as the number of employees as at 31 December 2025. The distribution by country is according to the legal entity for which the employee works.

Employee data by type of contract by regional distribution:

31.12.2025	Estonia	Lithuania	Finland	Sweden	Total
Head count	319	260	194	51	824
Number of permanent employees	316	260	177	50	803
Number of temporary employees	3	0	17	1	21
Number of non-guaranteed hours employees	-	-	-	-	-

Employee data does not include members of the Management Board.

31.12.2024	Estonia	Lithuania	Finland	Sweden	Total
Head count	286	294	181	56	817
Number of permanent employees	285	294	173	56	808
Number of temporary employees	1	0	8	0	9
Number of non-guaranteed hours employees	-	-	-	-	-

Employee data does not include members of the Management Board.

Characteristics of non-employee workers in the undertaking's own workforce (S1-7)

As of the end of the reporting period, Harju Elekter had 65 (2024: 45) non-employees, of whom 62 (2024: 42) were temporary agency workers. Of these, 57 (2024: 15) in the Estonian and 5 (2024: 12) in Finnish companies.

The number of non-employees is given as the number of workers as at 31 December 2025.

The non-employees belonging to the own workforce of Harju Elekter are considered to be temporary agency workers, self-employed persons, and consultants. Temporary agency workers are persons who are employed by Harju Elekter on a temporary basis, but their employer is a company engaged in temporary employment work. Generally, temporary agency workers are used as needed in the event of heavy workload.

Collective bargaining coverage and social dialogue (S1-8)

Harju Elekter accepts trade union membership among its workers. Trade union agreements have been concluded in four of the Group's manufacturing companies in Estonia, Lithuania, Finland, and Sweden.

The obligations and benefits set out in the collective agreement extend to all employees, regardless of their trade union membership. The parent company of Harju Elekter does not have a collective agreement.

Manufacturing companies operating in Estonia have constructive cooperation with the Keila Industrial Park Trade Union KETA. The Group's Lithuanian employees voluntarily belong to local trade unions, and Finnish and Swedish employees belong to local professional associations.

The Group's companies do not have agreements with their employees to represent them in the European Works Council or the European Cooperative Works Council.

There are no employees covered by collective agreements outside the EEA in the Group.

Country	% of employees covered by collective agreements		General % of employees represented by workers' representatives	
	2025	2024	2025	2024
Lithuania	100	100.0	100	100
Estonia	93.4	92.3	100	100
Finland	99.5	100.0	100	100
Sweden	0.0	0.0	100	100



Diversity metrics (S1-9)

The sustainable development of the Harju Elekter Group is ensured by a diverse workforce with extensive experience.

We are committed to keeping staff in different age groups so that there is a follow-up of young people and the sharing of the older generation’s experiences to ensure the company’s sustainability.

The gender distribution of the Group’s employees has been relatively stable. The smaller share of women, which was in the reporting year, 24.9% (2024: 26.2%), is related to the specifics of the Group’s main activity.

Gender distribution of senior management (Supervisory Board, Management Board, and CEOs):

Country	Women		Men	
	31.12.25	31.12.24	31.12.25	31.12.24
Lithuania	-	-	-	1
Estonia	1	1	11	9
Finland	-	-	2	2
Sweden	-	-	1	1

Distribution of employees by age group:

	Estonia		Lithuania		Finland		Sweden	
	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24
Women	82	80	88	103	28	26	7	5
Men	237	206	172	191	166	155	44	51
Under 30 years old	49	40	19	37	55	48	6	9
30-50 years old	179	164	192	209	98	90	29	30
Over 50 years old	91	82	49	48	41	43	16	17

Does not include members of the Management Board.

Unless otherwise indicated, all numbers are reported as the number of employees as at 31 December 2025. The distribution by country is according to the legal entity for which the employee works.

Adequate wages (S1-10)

The purpose of the Group’s remuneration principles is to organise fair, motivating, transparent, and legally compatible remuneration.

The broader objective of the remuneration policy is to recruit staff with the skills, competences, and experience necessary to implement the Group’s strategy, to align the interests of employees and shareholders, and to motivate employees. Remuneration systems consist of basic and variable pay, benefits, and worker incentives.

All employees of the Harju Elekter Group are paid adequate remuneration in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union.

Social protection (S1-11)

All employees of Harju Elekter are covered by social protection in the countries where the Group is located in the event of loss of income due to pivotal life events due to the following life events: (a) illness; (b) unemployment, which begins while the employee is working for the company; (c) acquired disability, work-related injury; (d) parental leave; and (e) retirement.

Persons with disabilities (S1-12)

Due to legal regulations, an employer cannot ask employee about the existence of their disability, and the data depends on whether the individual has voluntarily informed the employer about their disability. As a result, it is not possible to provide such data with sufficient certainty.

Training and skills development metrics (S1-13)

In 2025, Harju Elekter continued training its employees and systematically investing in their development.

Harju Elekter Academy expanded its training capacity and completed a 42 hour training programme for electrical equipment assemblers, combining theory and practice. The first competency profiles for manufacturing roles were also mapped and documented, creating a foundation for unified competency management.

A major development during the year was the implementation of the Edutizer competency management system, which enables the administration, evaluation, and certification of training. A new certification module for electrical equipment assemblers was created in the system, supporting the systematic assessment of employees' knowledge. In addition, employees were offered a wide range of occupational safety and specialist skills training. The focus was on developing practical skills and ensuring a safe working environment.

Across the companies, both increases and decreases in training hours were observed, reflecting the cyclical nature of training needs and the varying capacity of units to deliver training. In Sweden, training volumes grew due to the expiry of several qualifications and competencies, while in Estonia training activity increased following the establishment of an internal academy, which enables regular training delivery and supports the achievement of training objectives. Training needs differed across units, and not all companies were equally prepared to

allocate employees to training, resulting in variations in overall training volumes. Overall, the shortfall from the target of 40 hours per employee was driven by a combination of factors related to operational priorities, resource availability and the timing of training activities. Looking ahead, the focus will be on strengthening the practical impact of training, improving planning, increasing participation and harmonizing training volumes across companies to support the continuous development of employee competencies and ensure consistent progress toward the set objectives.

Employees who regularly participated in performance reviews and career assessment by gender distribution:

Country (head count)	Women		Men	
	2025	2024	2025	2024
Lithuania	35	30	103	104
Estonia	79	80	237	226
Finland	26	25	98	104
Sweden	5	3	40	26
Total	70.7%	64.5%	77.2%	76.3%

Average number of training hours by gender distribution:

Country	Women		Men	
	2025	2024	2025	2024
Lithuania	0.7	1.5	2.2	5.9
Estonia	11.9	10.0	9.1	3.9
Finland	2.3	5.1	6.9	5.6
Sweden	7.3	3.2	13.9	1.0



Health and safety metrics (S1-14)

In order to ensure a safe and secure working environment, companies periodically carry out a risk analysis of the working environment, which assesses compliance with the requirements of the working environment, potential risks, and addresses the concerns raised by employees.

The risk analysis of the working environment consists of three parts: a workplace inspection, the organisation of measurements, and conversations with employees, which enables employee involvement.

In order to identify and prevent hazards, we carry out periodic inspections and audits of workplaces, react to changes in the working environment, and map the hazards arising from the working environment by creating new jobs. We consider it important to have a dialogue with our employees and encourage them to report any potential hazards or risks. On the basis of the results of the analysis, we prepare a work environment action plan, the aim of which is to create a safe and healthy work environment for workers.

The main hazards at the Harju Elekter production plants are mobile forklifts, manual lifting of weights, sharp metal components, the use of work equipment with incorrect work methods, and the risk of electric shock. In order to reduce the level of risk and eliminate the risks, companies use a hierarchy of control measures.

Separate movement areas have been created for employees, guests, and vehicles, visible safety instructions have been installed, and personal protective equipment has been allocated. Safety guidance and observations from inspection tours help prevent occupational accidents.

Group's companies are participating in the 2024–2026 occupational safety programme SLI (Safety Level Indicator), which aims to harmonise and raise the level of workplace safety across the entire organisation. The programme is a safety monitoring system that helps companies understand how well they are performing in terms of safety. It evaluates both leading indicators (such as training and audits) and lagging indicators (such as the number of incidents).

The programme consists of three consecutive levels: Basic (2024), Normal (2025), and Advanced (2026). Each year, the achievement of safety objectives is assessed on a scale where the minimum required level is 3 (good level). In 2024, the onboarding processes for new employees and visitors were updated, risk assessments were carried out for all job positions, storage, forklift, and chemical safety were improved, and procedures for handling accidents and incidents were established in the relevant system. In 2025, near miss reporting, electrical safety, subcontractor risk assessment, and working at height safety were strengthened.

In 2025, all Group companies reached the Normal level.

In 2026, twelve objectives will be completed, including ensuring the availability of risk assessments, conducting change related safety assessments, implementing the LOTO (Lockout Tagout) process for work involving hazardous energy and pressure, introducing 6S, and applying safety 5S walkthroughs and a risk assessment system for non standard work.

With an occupational health partner, the health examination of employees is carried out in accordance with the provisions of law and after a period determined by the occupational health doctor. The service provider maps the risks related to mental health and prepares health audit reports with a recommendation for improving the health of employees.

Harju Elekter uses a metric for the frequency of disability traumas per million working hours (LTIFR - *Lost Time Injury Frequency Rate*). The LTIFR is the ratio of the number of accidents at work which result in health damage to a worker's incapacity for work per million hours of work. The objective is to keep this figure below three. The LTIFR for 2025 was 4.2 (2024: 3.3).

None of the accidents at work resulted in death, and no cases of occupational disease were recorded. The number of working days lost in the Group's companies is 25 (2024: 56.5) of the planned number of working days. The Group registered 13 (2024: 26) occupational accidents. The accident rate in 2025 was 9.2. The decrease in workplace accidents and lost workdays is the result of a strengthened safety culture and systematic improvements across the Group, which have reduced both the number of incidents and their severity.

In order to continuously promote the occupational safety culture and achieve our goals, we continue to contribute to Group-wide development activities in the field of working environment and safety.

The company's occupational health and safety management system covered 96.9% (2024: 83.3%) of the Group's employees.

Work-life balance (S1-15)

All salaried employees of Harju Elekter have the right to family related leave under the laws of all countries of operation.

Share of employees who have taken family leave

Country	Women %		Men %	
	2025	2024	2025	2024
Lithuania	4.62	3.7	5.0	1.0
Estonia	25.6	25.0	14.3	13.1
Finland	0.7	4.0	3.3	2.0
Sweden	14.29	0.0	22.7	12.0

Remuneration metrics (pay gap and total remuneration) (S1-16)

The gender pay gap, defined as the difference in average salary levels between female and male employees and expressed as a percentage of the average salary level of male employees, is 14.7% (2024: 21.8%).

The change was influenced by differences between the companies: in several companies, the pay gap between men and women decreased, and the distribution of employees between companies shifted in a way that reduced the impact of previous disparities on the overall result.

The ratio of the annual total compensation of the highest-paid individual to the annual median compensation of all employees (excluding the highest-paid employee) is 4.5 (2024: 4.9).

Incidents, complaints, and severe human rights impacts (S1-17)

Through the whistleblowing channel, the company was contacted with regard to various topics on 4 (2024: 2) occasions. The main topics were related to work organisation, which were reviewed, clarified, and explained once again to the parties involved. The parties were given guidance on how to avoid similar situations in the future.

In 2022, AS Harju Elekter was contacted in a court case concerning the redundancy of an employees' trustee due to a significant reduction in the workload of the position. The worker decided to defend their rights in the Labour Dispute Committee, whose decision contained legal inaccuracies, as a result, Harju Elekter contested the decision made in favour of the employee in both the first and second instances of the court. In 2025, the Supreme Court declined to hear the cassation appeal submitted by AS Harju Elekter, which meant that the court decision made in favour of the employee entered into force. AS Harju Elekter paid the employee the amount of 16,577.64 euros (gross) as determined by the ruling.

In 2025, AS Harju Elekter was contacted in a case concerning the termination of an employment contract by the employer on an extraordinary basis due to reasons arising from the employee. The Labour Dispute Committee ruled in favour of the employee. AS Harju Elekter did not agree with the Committee's decision and submitted an application to the Harju County Court.

Governance Information

G1 Business conduct

Business conduct policies and corporate culture (G1-1)

The Management Board and the Supervisory Board of Harju Elekter play a central role in shaping and promoting corporate culture and provide guidelines for following the principles of responsible business conduct, transparency and sustainability, emphasising honesty, transparency, and responsibility at all levels.

The Management Board defines strategic priorities and ensures that they align with the company's values, vision, and mission. The task of the Management Board is, among other things, to promote ethics, open communication, and employee involvement in the work and business environment. The above activities help to create a culture that supports the Group's goals based on important international standards, including the environmental, social, and governance framework, ensuring that the Group's activities are in line with sustainability goals. At the level of the Supervisory Board, it is ensured that adequate risk management and control mechanisms are in place within the Group to support transparency and integrity.

At Harju Elekter, we rely on fair, transparent, and ethical management principles in its communication with all

stakeholders. In our activities, we are guided by both legislation and high ethical standards. Our management principles, working methods, and structures are transparent, and the responsibilities of each unit are clearly defined. Illegal and unethical business practices and corruption are unacceptable to us.

The Group's Management Board is responsible for approving the governance principles and risk management. At the same time, the Management Board approves the sustainability strategy and monitors its implementation, periodically receiving an overview of the status of the implementation of the strategy from the steering group.

The Code of Conduct of Harju Elekter, which was updated in 2023, expresses values of development, cooperation, and reliability, which are the basis for the activities and decisions of Harju Elekter. Goal is to be an invaluable partner to our customers, contributing to the creation of a sustainable society by providing future-proof power distribution solutions. However, this is not possible without the development of our people and know-how. Our principles are integrated into the management system of Harju Elekter to ensure that they are implemented throughout the Group. The Code of Conduct commits us to acting honestly and respectfully in all matters, and we are committed to complying with all relevant laws and regulations, adhering to a safe and healthy work regime, and respecting human rights. The Code of Conduct sets standards and expectations, giving us the opportunity to stand up for our beliefs and speak up when something seems wrong or when we have ideas for improvement.

In addition, it provides a framework that helps us in our decision-making and guides us to seek help in the right place when we are uncertain or have questions.

It is also important to ensure that our employees, customers, and partners report information that indicates illegal, unethical, and fraudulent behavior. Our whistleblowing portal is available on the intranet homepage and on the company's website, and provides a secure and anonymous way to report your concerns without fear of retaliation. The instructions for using the whistleblowing portal are available to all employees on the Group's intranet. At the moment, Harju Elekter does not have a policy for the protection of whistleblowers; however, whistleblowers are guaranteed protection based on the laws in force.

At the Group level, unified quality, environmental, occupational health, and workplace safety management principles are in place. Harju Elekter's subsidiaries are certified according to the ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards.

Good and transparent corporate governance balances the interests of shareholders, customers, employees, partners, and other stakeholders, promoting maximum value creation while reducing business related risks.

Supply chain management (G1-2)

Harju Elekter considers it extremely important to establish and maintain good relationships with suppliers, considering it the cornerstone of the company's sustainability and responsible management. Suppliers are selected and evaluated using criteria that include aspects of quality, reliability, and sustainability.

We prefer to work with partners who share similar values and adhere ethical and environmentally responsible practices. It is important to us that our partners not only comply with all applicable laws and regulations but also comply with our Code of Conduct. To achieve this, we continue to introduce the Code of Conduct to our partners. This approach helps ensure that the supply chain aligns with our sustainability objectives and reduces risks arising from supplier activities. In 2025, a Code of Conduct specifically intended for suppliers was completed.

We emphasise the importance of open and transparent communication with suppliers, holding regular meetings and discussions to share expectations, best practices, and develop innovative solutions collaboratively. Such cooperation allows both parties to better understand market demands, react to changes, and achieve common goals.

We pay attention to the sustainability of our suppliers, encouraging them to implement environmentally friendly practices, reduce their carbon footprint, and follow the principles of social responsibility. We believe that working with sustainable suppliers strengthens the resilience of the entire supply chain and supports overall sustainability goals.

We focus on managing relationships with suppliers in order to prevent and reduce potential risks that may affect the operations and reputation of Harju Elekter. This includes regular assessment of suppliers, conducting a risk analysis and, if necessary, implementing improvement measures. This systemic approach ensures that the suppliers' activities are in line with the company's values and sustainability principles.

In order to obtain suitable contract conditions, we consider it good practice to organise procurements and consider alternatives. The choice of supplier is based on its prominence, reputation and reliability, quality, delivery conditions, and price. The main partners tend to be permanent and we look for new ones primarily when the relevant need arises or a new product is introduced to the market.

Prevention and detection of corruption and bribery (G1-3)

The Group has zero tolerance for corruption (incl. giving and taking bribes, conflicts of interest, abuse of office and the resulting influence), unfair competition (incl. the dissemination of know-how and inside information, and its use for personal gain), and other types of inappropriate business practices, both in the case of employees and partners.

At the management levels of Harju Elekter's companies, rules, guidelines, and verbal agreements have been set up to increase transparency and mitigate reputational risks. This helps to maintain the Group's credibility in the market and in its relations with its stakeholders. Key persons must declare their business interests and holders of inside information must comply with

the established rules of conduct. In order to ensure that the Group's employees are aware of the necessary instructions and obligations, they are introduced to the internal rules of work and the Code of Conduct of the Group upon employment, and fieldspecific training and internal audits are regularly organised. All relevant instructions are also available on the Group's intranet.

In 2023, the Group-wide Code of Conduct was updated, which is mandatory for all of the Group's employees and contains guidelines and behaviors for the prevention and detection of corruption and unfair competition. We will continue with Code of Conduct training in 2025. It is planned to make the Code of Conduct training annual, which will ensure consistent knowledge testing and updating along with passing the test. Members of the management bodies will also take part in the training. In 2025, no such trainings were conducted. A training system is being developed that consists of three components: independent reading, training, and a test. All employees, including members of management and supervisory boards, will complete the training. The training supports the identification and prevention of ethical risks.

Certain principles have been agreed upon to prevent, avoid, and mitigate the risks of corruption and unfair competition: for example, in large-scale transactions, an additional decisionmaker is involved to avoid conflicts of interest that may arise from, among other things, business, family or other relations. Workers are prohibited from accepting or giving gifts or benefits with the purpose of influencing a customer in a way that is more favorable to themselves or the company. Activities are carried out in accordance with the law, as well as established practices and standards.

The whistleblowing channel allows our employees and anyone who cooperates with us professionally or commercially to report information that indicates illegal, unethical,

and fraudulent behavior anonymously and is protected in accordance with applicable laws and regulations. In addition to the whistleblowing channel, our employees can also turn to their manager or the Group's legal adviser with concerns and observations.

Confirmed incidents of corruption or bribery (G1-4)

During the reporting period, there were no cases of corruption or bribery, no fines were imposed for violating them, and no court complaints were filed in the course of which a contract with a business and/or partner was terminated, or the renewal of a contract was suspended due to corrupt behaviour, nor were any employees of the Group's company dismissed.

In order to prevent and address the cases of corruption and bribery violations, the company has established clear rules that are included in the Code of Conduct of Harju Elekter. The established rules define unacceptable behaviour and provide guidelines to prevent violations. The Code of Conduct training is provided to employees, including on anti-corruption and anti-bribery topics, helping them understand the rules and the importance of complying with them.

Harju Elekter has created a secure and anonymous whistleblowing channel, through which employees and partners can report potential risks. All reports are treated confidentially and without delay. Any suspected violation is investigated impartially and thoroughly. In the event of detected violations, appropriate measures will be taken, including warnings under the law, termination of contracts, or notification and transfer of the case to law enforcement.

Harju Elekter verifies the background of its partners and suppliers. Contracts and cooperation also require the obligation to comply with the relevant rules, including the Code of Conduct.

Political influence and lobbying activities (G1-5)

Harju Elekter does not directly or indirectly contribute to political activities through monetary or non-monetary support. However, we consider it important to contribute to society through professional associations and organisations.

We direct our knowledge and people's time resources to topics that stand for strengthening competitiveness, and sustainable and safe product solutions. Through organisations, we can obtain up-to-date information, contribute to the development of a strong business and economic environment, and express our opinion on amendments to laws. As a member of professional associations, we can have a say in developments in our field and keep up to date with new trends.

AS Harju Elekter is a member of the Federation of Estonian Engineering Industry, Harju Elekter UAB is a member of the Lithuanian Association of Engineering Industries LINPRA, Harju Elekter Oy is a member of the Association of Finnish Technology Industries of Finland, the Finnish packaging recycling market RINKI.

In 2025, members who had worked in a comparable position in public administration (incl. regulatory authorities) during the two years prior to their appointment were not elected to the Management Board and the Supervisory Board of Harju Elekter.

Notes to the Consolidated Sustainability Statement

Disclosure requirements covered by the undertaking’s sustainability statement (IRO-2)

Appendix 1 Disclosure Requirements complied with in preparing the sustainability statement

Chapter	ESRS standard	ESRS disclosure requirements	Reference to the section of the sustainability statement	Page	References to other parts of the report	
GENERAL DISCLOSURES	General disclosures (ESRS 2)	BP-1	General basis for preparation of sustainability statements	Upstream and downstream value chain coverage	13	
		BP-2	Disclosures in relation to specific circumstances	Disclosures in relation to specific circumstances	13	
		GOV-1	Role of the administrative, management and supervisory bodies	Management and supervisory bodies	14	144, 91
		GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	Sustainability management	15	
		GOV-3	Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes	15	
		GOV-4	Statement on due diligence	Statement on due diligence	15	
		GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting	15	138
		SBM-1	Strategy, business model and value chain	Strategy, business model and value chain	17	
		SBM-2	Interests and views of stakeholders	Interests and views of stakeholders	21	
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model	24	
		IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	Description of the processes to identify and assess material impacts, risks, and opportunities	27	
		IRO-2	Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	Disclosure requirements covered by the undertaking’s sustainability statement Annex 1. Disclosure Requirements complied with in preparing the sustainability statement Annex 2. Datapoints that derive from other EU legislation”	60 63	

Chapter	ESRS standard	ESRS disclosure requirements	Reference to the section of the sustainability statement	Page	References to other parts of the report	
ENVIRONMENT	Climate change (E1)	E1-1	Transition plan for climate change mitigation	Transition plan for climate change mitigation	32	
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model	32	
		IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	33	
		E1-2	Policies related to climate change mitigation and adaptation	Policies related to climate change mitigation and adaptation	34	
		E1-3	Actions and resources in relation to climate change policies	Actions and resources in relation to climate change policies	34	
		E1-4	Targets related to climate change mitigation and adaptation	Targets related to climate change mitigation and adaptation	36	69
		E1-5	Energy consumption and mix	Energy consumption and mix	36	102
	E1-6	Gross scope 1, 2, 3 and total GHG emissions	Total GHG emissions	38		
	Resource use and the circular economy (E5)	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	41	
		E5-1	Policies related to resource use and the circular economy	Policies related to resource use and the circular economy	41	
		E5-2	Actions and resources related to resource use and the circular economy	Actions and resources related to resource use and the circular economy	42	
		E5-3	Targets related to resource use and the circular economy	Targets related to resource use and the circular economy	43	
		E5-4	Resource inflows	Resource inflows	43	
		E5-5	Resource outflows	Resource outflows	44	
	SOCIAL	Own workforce (S1)	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model	46
S1-1			Policies related to own workforce	Policies related to own workforce	47	
S1-2			Processes for engaging with own workers and workers' representatives about impacts	Processes for engaging with own workers and workers' representatives about impacts	49	
S1-3			Processes to remediate negative impacts and channels for own workers to raise concerns	Processes to remediate negative impacts and channels for own workers to raise concerns	49	

Chapter	ESRS standard	ESRS disclosure requirements	Reference to the section of the sustainability statement	Page	References to other parts of the report	
SOCIAL	Own workforce (S1)	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	49	
		S1-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities	50	
		S1-6	Characteristics of the undertaking's employees	Characteristics of the undertaking's employees	51	
		S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Characteristics of non-employee workers in the undertaking's own workforce	52	
		S1-8	Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue	52	
		S1-9	Diversity metrics	Diversity metrics	53	
		S1-10	Adequate wages	Adequate wages	53	
		S1-11	Social protection	Social protection	53	
		S1-12	Persons with disabilities	Persons with disabilities	53	
		S1-13	Training and skills development metrics	Training and skills development metrics	54	
		S1-14	Health and safety metrics	Health and safety metrics	55	
		S1-15	Work-life balance	Work-life balance	56	
		S1-16	Remuneration metrics (pay gap and total compensation)	Remuneration metrics (pay gap and total compensation)	56	
		S1-17	Incidents, complaints and severe human rights impacts	Incidents, complaints and severe human rights impacts	56	
MANAGEMENT	Business conduct (G1)	G1-1	Business conduct policies and corporate culture	Business conduct policies and corporate culture	57	
		G1-2	Management of relationships with suppliers	Supply chain management	58	
		G1-3	Prevention and detection of corruption and bribery	Prevention and detection of corruption and bribery	58	
		G1-4	Confirmed incidents of corruption or bribery	Confirmed incidents of corruption or bribery	59	
		G1-5	Political influence and lobbying activities	Political influence and lobbying activities	59	

Appendix 2 Data points that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page	
ESRS 2 GOV-1	Board’s gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II	14	
ESRS 2 GOV-1	Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II	14	
ESRS 2 GOV-4	Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1			16	
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	Not material	
ESRS 2 SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	Not material	
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material	
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material	
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	32
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	32	

Disclosure Requirement and related datapoint		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-4	GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		36
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				36
ESRS E1-5	Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				36
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				36
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		38
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		38
ESRS E1-7	GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-9;ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a); Location of significant assets at material physical risk paragraph 66 (c).			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		Not material
ESRS E1-9	ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material

Disclosure Requirement and related datapoint		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-9	Degree of exposure of the portfolio to climate- related opportunities paragraph 69				Delegated Regulation (EU) 2020/1818, Annex II	Not material
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1	Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1	Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1	Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4	Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2 – IRO 1	E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2 – IRO 1	E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2 – IRO 1	E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5	Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				44
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				44
ESRS 2- SBM3 – S1	Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3 – S1	Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1	Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				47
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21				Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS S1-1	Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1	Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				47
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				49
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I			Delegated Regulation (EU) 2020/1816, Annex II	55
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				55
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I			Delegated Regulation (EU) 2020/1816, Annex II	56

Disclosure Requirement and related datapoint		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				56
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				56
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	56
ESRS 2 –SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1	Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
ESRS S2-1	Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19				Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1	Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1	non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S3-4	Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1	Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S4-4	Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				57
ESRS G1-1	Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				57
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II)	Not material
ESRS G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				59

Financial Summary

> Financial summary

> Review of the economic environment

> Operating results

> Business segments

	2025	2024	2023	2022	2021
STATEMENT OF PROFIT OR LOSS (million euros)					
Revenue	174.0	174.7	209.0	175.3	152.8
Gross profit	25.9	20.9	23.6	12.3	17.9
EBITDA	16.4	10.4	12.4	0.2	7.2
Operating profit/ loss (-)	12.0	6.4	8.1	-4.5	3.2
Net profit/ loss (-) (belonging to owners of parent company)	10.8	3.2	5.2	-5.5	2.6
STATEMENT OF FINANCIAL POSITION AS AT THE YEAR END (million euros)					
Total current assets	69.3	55.3	78.1	79.0	63.5
Total non-current assets	98.8	98.4	100.3	92.5	84.0
Total assets	168.1	153.7	178.4	171.4	147.6
Equity (belonging to owners of parent company)	98.9	91.0	90.0	79.6	87.0
Equity multiplier (%)	59.0	54.5	48.5	52.2	61.0
GROWTH RATES (% of previous year)					
Revenue	-0.4	-16.4	19.2	14.8	4.2
Gross profit	23.9	-11.4	92.3	-31.4	-15.7
EBITDA	58.5	-16.7	5 634.6	-97.0	-30.2
Operating profit/loss (-)	86.9	-20.7	277.7	-242.0	-51.1
Net profit/ loss (-) (belonging to owners of parent company)	239.7	-38.5	193.1	-313.4	-53.3
Assets	9.3	-13.8	4.0	16.2	27.8
Equity (belonging to owners of parent company)	8.6	1.1	13.1	-8.5	18.3

	2025	2024	2023	2022	2021
PROFITABILITY RATIOS (%)					
Gross margin	14.9	12.0	11.3	7.0	11.7
EBITDA margin (EBITDA / revenue)	9.4	5.9	6.0	0.1	4.7
Operating margin	6.9	3.7	3.9	-2.6	2.1
Net profit margin	6.2	1.8	2.5	-3.2	1.7
Return on assets (ROA)	6.7	1.9	3.0	-3.5	2.0
Return on Capital Employed (ROCE)	10.5	5.8	7.1	-4.5	3.3
Return on equity (ROE)	11.4	3.5	6.1	-6.7	3.2
SHARE (euros)					
Average number of shares (1,000 pcs)	18,512	18,499	18,356	18,134	17,855
Equity per share	5.13	4.89	4.62	4.61	4.50
Closing price of share	4.85	4.58	4.97	5.01	7.44
Net profit per share	0.58	0.17	0.28	-0.31	0.15
P/E ratio	8.33	26.66	17.68	-18.08	51.13
Dividend per share	⁽¹⁾ 0.25	0.15	0.13	0.05	0.14
LIQUIDITY RATIOS					
Current ratio	1.3	1.2	1.2	1.1	1.3
Liquidity ratio	0.9	0.7	0.6	0.6	0.8
PERSONNEL AND SALARIES (pcs)					
Average number of employees	825	897	957	878	825
Number of employees at the end of period	830	821	967	889	865
Salaries (million euros)	29.4	30.1	31.8	27.1	23.9

(1) – Management board proposal

The calculation of ratios is presented in the supplementary annexes to the annual report on page 161.

Overview of the economic environment

Global economy

The global economy experienced moderate growth in the past year, which, according to preliminary estimates by the International Monetary Fund, amounted to approximately 3.1–3.2%. Growth was supported by increased investments related to artificial intelligence, accommodative fiscal policy, and the weakening of the US dollar, which improved financing conditions and mitigated the impact of trade tariffs. Economic growth in the United States slowed in 2025 but remained stronger than expected overall, at an estimated 2% level. Latin America and Africa saw more modest growth, mainly due to the slow retreat of inflation and high debt levels that constrain economic development. In contrast, growth in Asia exceeded expectations in 2025, supported by increased activity in the services sector and strong domestic demand. In the euro area, growth remained moderate—approximately in the range of 1.2–1.5%—affected by a weak industrial sector and low investment activity. The main risks to the global economy in 2025 continued to be geopolitical tensions, potential trade restrictions, and growing government debt levels.

Nordic and Baltic countries

The economic environment in the Nordic countries and the Baltic States improved in 2025 compared with the preceding two years, and moderate acceleration in growth is expected for 2026. According to preliminary data, the strongest economic growth occurred in Denmark, at roughly 2.8–3.0%, supported by strong exports and continued expansion in the pharmaceutical sector. The Swedish economy returned to moderate growth after earlier contraction, reaching approximately 1.0–1.5%, while Finland's growth remained more subdued, still held back by a weak construction sector and low investment levels. Economic growth in the Nordic region continued to be influenced by the slow recovery of major euro area economies, however, domestic consumption improved due to declining interest rates and gradually recovering confidence. In the Baltic States, a clearer recovery was observed in 2025, with Lithuania once again achieving the strongest growth among the three countries, estimated at 2.5–3.0%. Across the region, stabilizing inflation and lower interest rates helped restore both private consumption and corporate investment activity.

Estonia

The Estonian economy began a gradual recovery in 2025 following several years of contraction. According to preliminary estimates, Estonia's economy grew by approximately 0.6–1.0% in 2025. Economic activity improved mainly due to the recovery of private consumption, supported by real wage growth and slowing inflation. Investments remained modest in 2025, but signs of revitalization appeared in the second half of the year as financing conditions improved and interest rates declined. Economic growth continued to be constrained by weak external demand and the slow recovery of export partners, which particularly affected the manufacturing sector. However, export volumes showed signs of stabilization in the second half of 2025. For 2026, Estonia's economic growth is forecasted to accelerate to approximately 2.3%, supported by the recovery of exports, increasing investments, and strengthening domestic demand, although persistent geopolitical uncertainty and the potential weakening of the external environment remain key risks.

Operating results

2025 was a successful and stable year for the Group, characterised by solid financial performance, steady sales volumes and improved profitability. During the year, the Group increased operational efficiency, optimised its cost base and further strengthened its business model, supporting its position across all key markets.

Revenue

In 2025, the Group generated consolidated revenue of 174.0 (2024: 174.7) million euros, remaining only slightly below the previous year’s level. Following the rapid growth experienced during 2021–2023 and the subsequent period of volatility, 2025 can be considered a year of stabilisation in terms of revenue. The distribution of orders and sales volumes during the reporting year was more even compared to the previous year, reducing volatility arising from the concentration of large projects into specific periods.

The core business segment, i.e. production, accounted for 93.6% (2024: 94.0%) of the Group’s total revenue for the reporting year, amounting to 162.9 (2024: 164.3) million euros. Sales volumes remained relatively even throughout the year and were not concentrated in specific periods, as had been the case in earlier years. The majority of the segment’s revenue was generated from the sale of electrical equipment, which amounted to 159.8 (2024: 161.2) million euros, representing 92% of total revenue. During the reporting year, sales increased primarily in product groups related to data centre construction, while moderate recovery was also observed in the substation segment, which is strongly

influenced by market-based regulations and regulatory changes. The decline in volume was mainly attributable to the contract manufacturing segment.

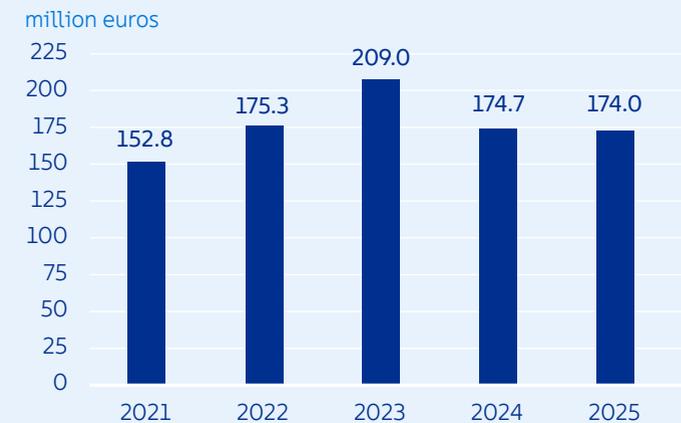
Revenue from the real estate segment remained stable in 2025 at 5.4 (2024: 5.4) million euros. Consistently high occupancy rates and a portfolio of reliable long-term tenants ensured stable rental income. Demand for production and commercial premises in the vicinity of Tallinn remains strong, making the real estate segment one of the Group’s most balanced and predictable sources of revenue.

Revenue from other activities increased during the reporting year to 5.7 (2024: 5.0) million euros, reflecting growth of 12.3%. Growth was driven by an increase in the volume of electrical works in the shipbuilding sector, which showed a clear upward trend in 2025. Historically volatile, this segment has moved towards more moderate but stable volumes. Other activities accounted for 3.3% (2024: 2.9%) of the Group’s consolidated revenue. A more detailed overview of the segments and company activities during the reporting year is provided in the chapter “Business Segments”.

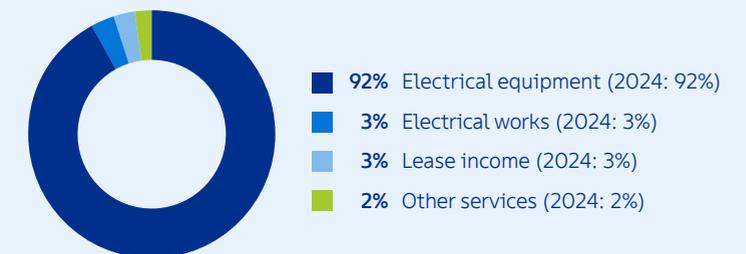
Of the Group’s four main markets – Estonia, Finland, Sweden and Norway – the largest contribution to revenue growth in 2025 came from Estonia and Norway. Revenue in Estonia continued its strong growth trend, increasing to 29.9 (2024: 23.0) million euros, remaining only slightly below the Group’s historical record revenue level in Estonia. Growth was driven by customers in the electricity distribution network sector and stable volumes in the production and supply of electrical equipment. Continued activity in local investments and persistently high occupancy rates in industrial and commercial real estate also supported the strengthening of the Estonian market.

Revenue in Norway increased significantly, reaching 39.3 (2024: 26.3) million euros, representing a 49% year-on-year increase and

Harju Elekter's revenue



Revenue by business activities



making Norway the Group’s second largest target market. Strong demand for frequency converters and electrical systems in the maritime and shipping sectors resulted in one of the strongest years in the history of the Norwegian market for the Group.

Finland remained the Group’s largest market; however, revenue declined to 54.7 (2024: 66.9) million euros. The decrease was mainly attributable to lower volumes in contract manufacturing and a reduction in orders for compact substations. The investment capacity of Finnish network operators continued to be affected by regulatory changes implemented in previous years, the impact of which was also reflected in the substation market during 2025. Nevertheless, moderate recovery became visible towards the end of the reporting period, and network operators have indicated

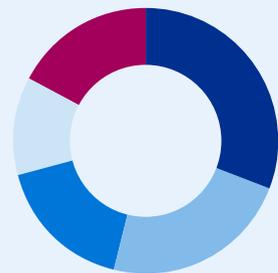
readiness to increase investments going forward. In addition, several large-scale data centre projects are under construction or in planning in Finland, which may generate additional demand for the Group’s products and solutions in the future.

In Sweden, revenue continued to decline moderately, amounting to 20.3 (2024: 26.0) million euros. The result was influenced by a strategic decision to discontinue the offering of EPC (turnkey) projects and shift the focus towards standardised factory-based products, enabling operations with a lower risk profile and more stable business activity. The Group focuses on the sale of E-houses and low-voltage switchgear for the local market, where demand has remained steady. Order intake in 2025 was stronger than in 2024, and market outlooks indicate moderate

growth opportunities. The Group also continues to supply substations manufactured in Keila to Swedish network operators, strengthening its position in this segment.

Developments in other markets were mixed. Revenue increased in the Netherlands to 9.4 (2024: 3.2) million euros and in Denmark to 3.4 (2024: 1.2) million euros, reflecting growth in project-based deliveries. The German market continued its moderate growth trend, reaching 14.1 (2024: 13.8) million euros. No sales were made to the United States during the reporting year (2024: 10.7 million euros), which contributed to an overall decline in revenue from other markets. Overall, other markets represent a stable but more project-driven component of the Group’s operations, depending on delivery cycles specific to individual years.

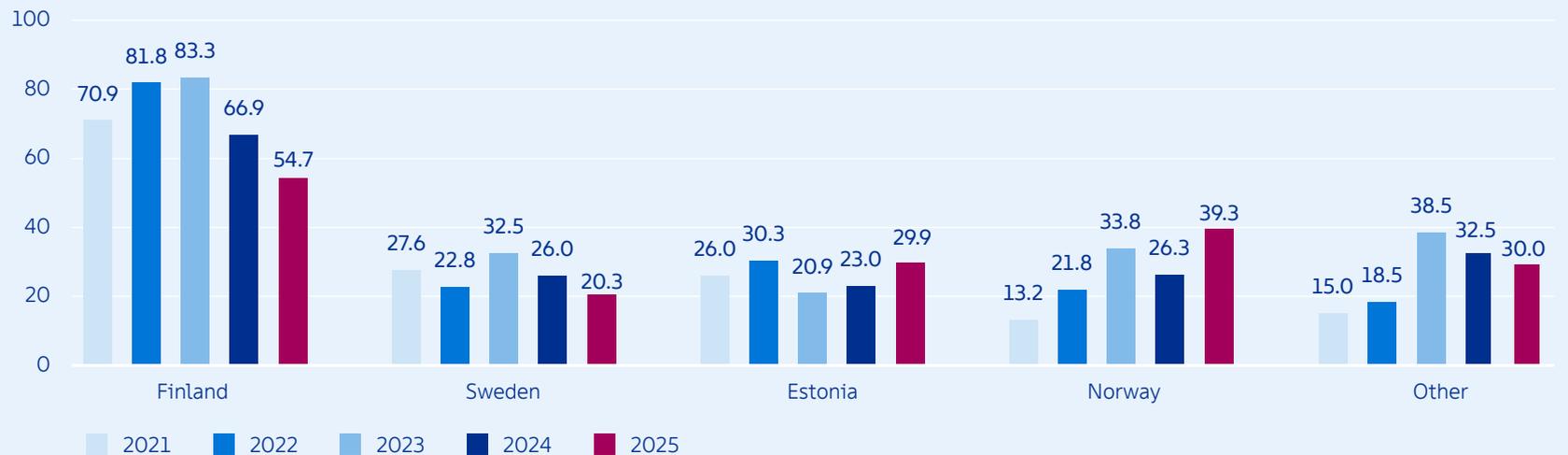
Share of revenue by markets



- 31% Finland (2024: 38%)
- 23% Norway (2024: 15%)
- 17% Estonia (2024: 13%)
- 12% Sweden (2024: 15%)
- 17% Other (2024: 19%)

Revenue by markets in 2021-2025

million euros



Revenue by business activities in 2021–2025

Electrical equipment

million euros



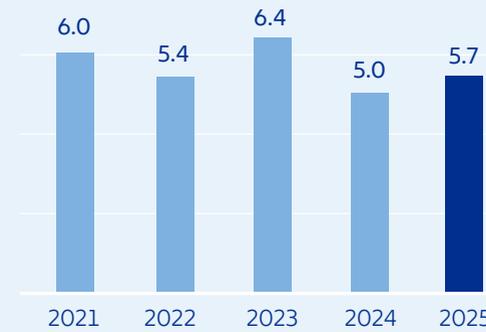
Lease income

million euros



Electrical works

million euros



Other services

million euros



Expenses

In 2025, the Group continued to focus on cost control, process efficiency and the ability to adapt to changing market conditions. Operating expenses amounted to 163.2 (2024: 167.7) million euros, decreasing by 2.7% year on year. Total cost savings of 4.5 million euros were achieved, confirming that systematic efficiency measures implemented in previous years have delivered tangible results in managing the Group’s cost base. During the year, the Group focused primarily on harmonising processes, improving the accuracy of production planning and enhancing the coordination of resources between business units.

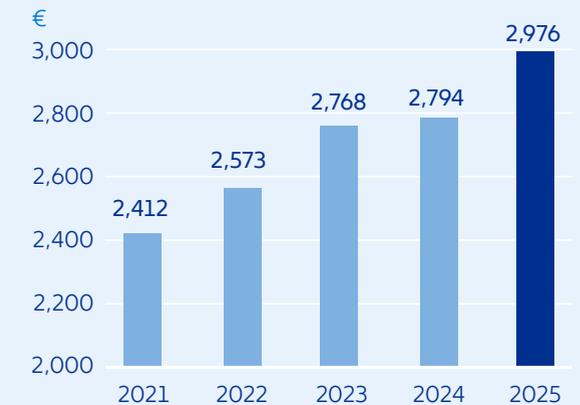
The cost of sales amounted to 148.1 (2024: 153.8) million euros, decreasing by 3.7%. Slower growth in costs compared to revenue improved profitability and increased the gross profit margin to

14.9% (2024: 12.0%). Optimisation of production, more predictable capacity utilisation and improved supply chain planning had a positive impact on margins throughout the reporting year.

Distribution expenses increased to 5.6 (2024: 4.7) million euros, rising by 18.9%. The increase was driven by targeted sales and marketing activities aimed at expanding the customer base, increasing visibility in core markets and strengthening strategic relationships. These expenses are aligned with the Group’s objective of ensuring a diversified and sustainable order book. Distribution expenses accounted for 3.2% (2024: 2.7%) of revenue.

Administrative expenses amounted to 9.4 (2024: 9.2) million euros, increasing by 2.3%, mainly due to inflation and the natural growth of support function costs. Administrative expenses accounted for 5.4% (2024: 5.3%) of revenue.

Average monthly earnings per employee in the Group



Depreciation of non-current assets amounted to 4.4 (2024: 4.0) million euros, increasing by 12.5%. The increase was expected, reflecting investments made in previous periods in expanding production capacity and upgrading equipment and infrastructure. These investments have created prerequisites for smoother organisation of production and more efficient utilisation of assets, which was also reflected in the improvement of the gross profit margin.

Labour costs increased to 37.8 (2024: 37.3) million euros, representing a year-on-year growth of 1.4%. Higher production volumes led to a natural increase in workload at the production units, while the share of labour costs in revenue remained broadly unchanged at 21.7% (2024: 21.4%). The average monthly salary increased to 2,976 (2024: 2,794) euros.

Operating results

The Group is successfully moving towards a more stable and profitable business model. Improved predictability of operations, effective cost base control and a more balanced market environment have created a strong foundation for sustainable growth.

Gross profit increased to 25.9 (2024: 20.9) million euros, and the gross profit margin improved to 14.9% (2024: 12.0%). The improvement was driven by optimisation of production processes, more efficient capacity utilisation and a decrease in the cost of sales relative to revenue. Investments made in recent years in standardisation and digitalisation continued to support operational efficiency and margin development.

Operating profit amounted to 12.0 (2024: 6.4) million euros. The increase in operating profit reflects both the higher gross profit and controlled administrative expenses. The increase

in distribution expenses was purposeful, supporting sales development and the strengthening of the Group's market position in core markets.

The Group's financial performance also improved. Financial income increased to 1.7 (2024: 0.1) million euros, primarily due to gains from foreign exchange rate movements amounting to 1.6 million euros. At the same time, financial expenses decreased to 2.2 (2024: 2.4) million euros, mainly as a result of lower interest expenses. These results reflect stable financial leverage and continued strong financial management.

Net profit for the period increased to 10.8 (2024: 3.2) million euros, representing one of the strongest results of recent years. Net profit per share rose to 0.58 (2024: 0.17) euros, confirming the Group's ability to create significant added value for its shareholders.

Other comprehensive income (loss)

Gains and losses arising from the revaluation and disposal of financial assets are recognised through other comprehensive income. In the reporting year, the Group's total other comprehensive loss amounted to -0.3 (2024: 0.2) million euros, while total comprehensive income for the period was 10.5 (2024: 3.4) million euros. The results for the year were mainly affected by foreign exchange differences arising from the translation of the financial statements of the Swedish subsidiaries, which had a negative impact of -0.7 (2024: 0.1) million euros and reflected the increased volatility of currency markets during the reporting year.

Realised gains on financial assets amounted to 0.4 (2024: 0.2) million euros in the reporting year. The gain primarily resulted from the disposal of a 9.15% shareholding in IGL-Technologies



Oy, which was completed in April. The disposal was in line with the Group's strategy to focus on its core business and to direct released resources towards product development and innovation, in particular the development of next-generation charging solutions, in response to growing demand for smart and sustainable energy solutions.

Financial position

The Group's financial position as at 31 December 2025 was stable and supported the achievement of strategic objectives. Total assets increased by 9% and amounted to 168.1 (31.12.24: 153.7) million euros, mainly due to an increase in current assets to

69.3 (31.12.24: 55.3) million euros. Trade receivables increased to 46.7 (31.12.24: 29.6) million euros as a result of the cyclical nature of project-based activities, while prepayments decreased to 1.2 (31.12.24: 2.1) million euros. Inventories remained stable at 19.9 (31.12.24: 19.8) million euros.

Non-current assets remained broadly unchanged year on year, amounting to 98.8 (31.12.24: 98.4) million euros. Property, plant and equipment increased to 33.3 (31.12.24: 32.4) million euros due to investments in production capacity and renewal of machinery and equipment. Intangible assets increased to 9.9 (31.12.24: 8.1) million euros, supported by digitalisation and development activities. Investment property decreased to 28.2 (31.12.24: 29.4) million euros as a result of depreciation, and long-term financial investments declined to 27.2 (31.12.24: 27.7) million euros following the sale of the investment in IGL-Technologies Oy.

The Group's liabilities increased to 69.2 (31.12.24: 62.7) million euros, primarily due to an increase in current liabilities to 54.1 (31.12.24: 42.4) million euros. The increase was driven by customer prepayments and trade and other payables, while tax liabilities and provisions remained at a level comparable to the previous year. Non-current liabilities decreased to 15.1 (31.12.24: 20.2) million euros, of which long-term borrowings accounted for the majority.

Equity increased by 9% and amounted to 98.9 (31.12.24: 91.0) million euros, supported by profit for the reporting year and changes in reserves. During the year, dividends of 2.8 (31.12.24: 2.4) million euros were paid, in line with a balanced capital policy.

Cash flows

Cash flows from operating activities amounted to 4.6 (2024: 20.1) million euros in 2025. The decrease compared to the previous year

was mainly due to an increase in receivables, which tied up more working capital, while strong core operations were supported by continued financial discipline.

Cash flows from investing activities amounted to -3.8 (2024: -2.2) million euros and were mainly directed to investments in tangible and intangible assets, supporting production efficiency, quality and digitalisation. Proceeds of 0.9 million euros received from the sale of a financial investment partially offset investment-related cash outflows.

Cash flows from financing activities amounted to -2.4 (2024: -15.6) million euros. Repayments of loans and factoring liabilities were partly offset by increased use of overdraft facilities, providing flexibility in working capital management. Dividends of 2.8 (2024: 2.4) million euros were paid to shareholders.

Overall, the Group's cash flows in 2025 amounted to -1.6 (2024: 2.3) million euros, and cash and cash equivalents at the end of the period amounted to 1.5 (2024: 3.8) million euros. The liquidity position remained sufficient, enabling the Group to meet its obligations and finance its day-to-day operations.

Investments and development

In 2025, the Group focused on investments supporting its long-term development and competitiveness. Funds were allocated to expanding production capacity, renewing technological assets, product development, and the development of real estate and IT solutions, with the aim of improving operational efficiency, enhancing product quality, and ensuring readiness to adapt to technological and regulatory changes in the energy sector.

In total, Harju Elekter companies invested 5.1 (2024: 3.8) million euros in non-current assets, including 0.3 (2024: 1.8) million

euros in investment property, 2.7 (2024: 0.9) million euros in property, plant and equipment, and 2.1 (2024: 1.1) million euros in intangible assets.

The production units were supplemented with new production technology equipment, including the acquisition of a Komax Zeta 640 automated wire processing centre for the Lithuanian plant. Investments were also made in software solutions, IT equipment and product development, including the certification of proprietary products to support broader market access both in existing markets and export markets. In addition, additional solar power plants were installed to improve energy efficiency.

In the real estate segment, the main investment of the year was the expansion of the Keila production unit, where construction of a modern production building with an area of 4,000 square metres commenced. The extension is scheduled for completion in October 2026 and will increase the production area of the unit to 28,000 square metres, creating additional high value-added engineering and manufacturing jobs. Renovation and reconstruction works continued in the Keila Industrial Park to support the operations of long-term tenants, including Prysmian Group Baltics.

The Group's competitiveness is supported by strong and flexible product development, aimed at meeting market demand and delivering innovative and reliable solutions to customers. Product development activities focused on the energy sector are primarily concentrated within the parent company's product development team, whose role is to provide modern products for sales channels and to offer the necessary technical support to both production and sales units. Product development is structured around four main product areas: substations and cable distribution cabinets, E-houses and technical buildings, low-voltage switchgear, and electric vehicle charging solutions. Each area has a defined focus, development roadmap and clear responsibilities, ensuring

that development activities are carried out in a systematic and efficient manner.

During the reporting year, the product development team was engaged in several development projects. One of the largest projects was the continued development of the next-generation electric vehicle charger Elektra Sense, aimed at strengthening the competitiveness of the Elektra product family and expanding the sale of electric vehicle chargers beyond the Finnish market. The first customer presentation of the new charger took place in October at the Elmässan trade fair in Stockholm.

In addition, several new compact substation solutions were developed and tested during the year, primarily targeting renewable energy projects. The product offering for industrial customers in the Swedish market was also expanded. Development and testing of SF6-free technologies continued

in order to ensure readiness to comply with tightening market regulations from 2026 onwards.

Development of the HECON EVO low-voltage switchgear product group continued, with the first delivery projects scheduled for 2026. In the E-house category, several project-specific developments were carried out, driven by the technical requirements and increasing demands of data centre customers.

The Group's development activities are largely driven by growing customer demand for innovative and reliable solutions. As a result, product development is a continuous process closely aligned with market trends, ensuring that customers are offered products that meet the latest technical requirements. At the same time, development activities provide the Group's engineers with the opportunity to work on diverse and technically challenging projects, supporting both company-wide and professional development.



Business segments

The Management Board of the Group has defined the business segments according to the main business activities of the company. The two main areas of activity of Harju Elekter, presented as separate segments, are production and real estate. Activities that are not of such a high proportion to form a separately reported segment and that entail risks and rewards, nor were materially different and clearly delineated, are presented as other activities.



The activities of the production segment are the design, sale, manufacturing and after-sales service of power distribution, switching and converting devices, as well as automation, process control and industrial control equipment.

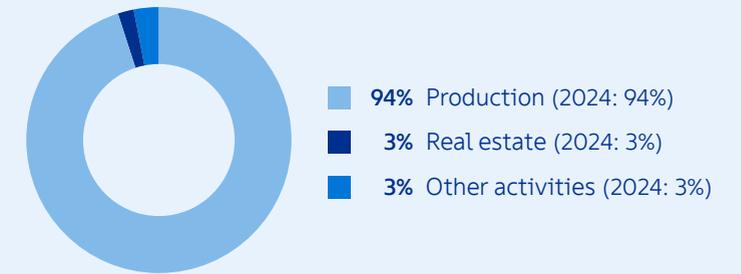


The real estate segment includes the development, project management, renting of industrial real estate and other related services for leasing partners and the Group companies.



Other activities include the management of financial investments, other management services and electrical installation works in shipbuilding.

Revenue by segments



Revenue of business segments



Production

The main activity of Harju Elekter is production, and increasing its profitability and efficiency remains a priority for the Group. To achieve this objective, activities initiated in previous years were continued during the reporting period, with particular focus on improving the efficiency of production processes.

The production segment includes plants manufacturing power distribution and control equipment in Estonia (AS Harju Elekter), Finland (Harju Elekter Oy), Sweden (Harju Elekter AB), and Lithuania (Harju Elekter UAB).

The revenue of the production segment from external customers for the reporting year was 162.9 (2024: 164.3) million euros, representing 93.6% (2024: 94.0%) of consolidated revenue.

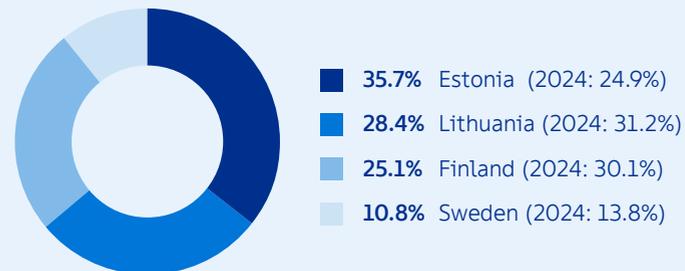
The main factors that influenced the change in revenue of the production segment compared to the previous year were:

- The decrease in new orders in the second and third quarters of 2024, which had a negative impact on the sales revenue of the first half of 2025.
- The increase in new orders began in the fourth quarter of 2024, mainly driven by growing demand in the data center sector and, more broadly, for electrical distribution equipment, which positively affected turnover in the second half of 2025.
- Strategic decisions have been made in recent years to focus on more profitable and more specialized products.

A total of 761 (2024: 761) people were employed in manufacturing companies at the end of the reporting period and an average of 764 (2024: 834) people during the reporting year, of whom approximately 70% are production workers and 30% administrative and engineering staff.



Production segment revenue by countries



Unconsolidated revenue of production segment companies by country





 PRODUCTION IN ESTONIA

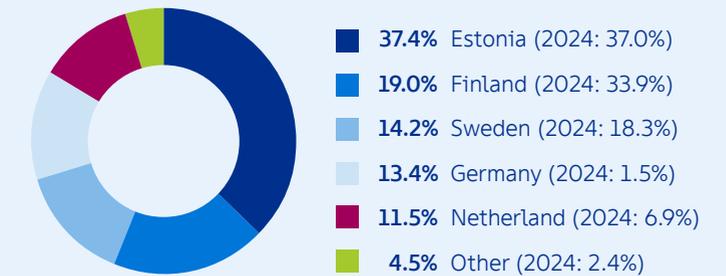
AS Harju Elekter is a leading developer, manufacturer, and distributor of medium and low voltage electrical equipment located in Keila Industrial Park.

In addition to its core business, various sheet metal products are manufactured for its own use and for other Group companies. The company has two production facilities, with a total of more than 34,000 m² of production, warehouse, yard, and office space. The company had 299 (2024: 265) employees at the end of the reporting year. During the reporting period, the average number of employees was 287 (2024: 293).

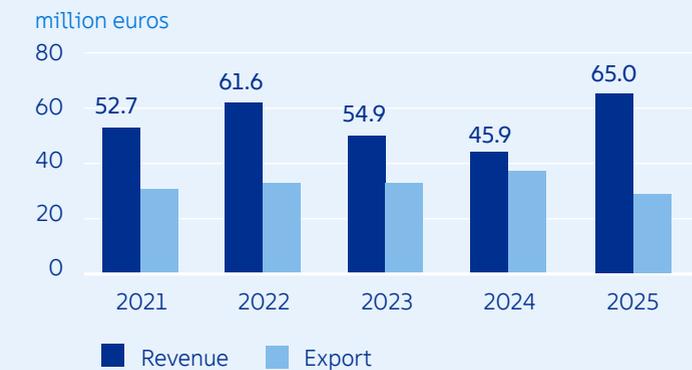
The revenue of Estonian manufacturing unit in 2025 was 65.0 (2024: 45.9) million euros. The year 2025 turned out to be a successful period for the company, during which the team managed to realize several new business opportunities. The leadership team’s focus on strengthening core business areas proved to be effective.

The company scaled up both its workforce and production space within a very short period and launched an important expansion project, the impact of which will be reflected in the financial indicators starting from the third quarter of 2026.

Estonian production companies revenue by markets



Revenue of Estonian production companies combined



A significant part of the Group's production manufactured in Estonia was sold abroad. In the reporting year, exports accounted for 62.6% of revenue (2024: 63.0%) and the most important target countries for the production of the Estonian factory were the Group's home markets of Finland and Sweden, as well as the Netherlands and Germany.

During the reporting period, a total of 1.1 million euros was invested in tangible and intangible assets. As a significant milestone, investments were made in in-house products and their certification to support expansion in existing markets as well as participation in new export oriented public tenders.

In addition to growing the business, the company succeeded in improving customer satisfaction compared with previous years and received highly positive feedback from clients on the handling of key projects, reflecting strong cooperation and the quality of the company's management system. Employee health and occupational safety remain areas of heightened focus.

A growth trend is evident across all business lines. Increasing electricity consumption, particularly driven by the data center sector, has boosted demand for the solutions produced by the Estonian manufacturing unit. To meet the rising demand, the factory expansion is scheduled for completion by October 2026. The management team of the Estonian manufacturing unit sees upskilling employees as a key priority in order to increase the volume of high value added work. In 2026, the company will continue implementing lean principles and will focus on improving efficiency, including through AI related training and the adoption of AI tools.



In addition to growing the business, the company succeeded in improving customer satisfaction compared with previous years and received highly positive feedback from clients on the handling of key projects, reflecting strong cooperation and the quality of the company's management system.



PRODUCTION IN FINLAND

Harju Elekter Oy is one of the leading manufacturers of industrial automation and power distribution and transmission equipment in Finland.

The company’s headquarter and one of the factories is in Ulvila, with a second factory in Kurikka. In total, the company uses nearly 6,700 m² of production, warehouse and office space.

The total revenue of Harju Elekter Oy for 2025 was 45.6 (2024: 55.5) million euros, down by one fifth year-on-year. A significant part of the Finnish production is sold outside Finland and reaches customers primarily through manufacturers and exporters. At the same time, the Finnish company acts as an importer and distributor of the Group’s Estonian company on local market. Intermediate sales of products imported from Estonia to Finland amounted to 8.2 (2024: 10.8) million euros.

At the end of the reporting period, the Group’s Finnish production units employed a total of 151 (2024: 146) people, the average number of employees during the reporting period was 145 (2024: 169) people. Around 60% of the workforce is employed in production and 40% in management, administration, and sales. One of the key focus areas of the year was employees and workplace safety, as well as the successful transition to a new accounting system within the administrative department.

The products manufactured in Finland are targeted at the industrial, power generation and distribution sectors, as well as infrastructure projects, covering customers’ needs from the development of products, programmes, and projects to the provision of maintenance services. The extensive product portfolio includes various products and solutions up to 20 kW, as well as electric vehicle chargers of the Elektra brand developed for the Finnish market.

The production unit in Ulvila is mainly focused on contract manufacturing, project services and supplies in the energy and

industrial sectors, as well as infrastructure projects. During the reporting year, the company continued to focus on the performance of existing customer contracts. With the aim of achieving more optimal production operations, a decision was made at the end of 2025 to close the 850 m² Kerava production unit and consolidate its manufacturing to Ulvila.

The Kurika production unit, which has 2,500 m² of production and office space, mainly focuses on the production of compact substations and cable distribution cabinets, including the design, production, and distribution of equipment for the power distribution sector on the Finnish market. The high-quality substations produced in the Kurikka unit have a good reputation in Finland and a loyal customer base has developed over a long period of operation.

The main objectives of the Finnish company are to increase profitability in all production units and to implement the management structures and processes that have changed in recent years as efficiently as possible. In production, there is a heightened focus on increasing production efficiency and capacity and a shift towards higher value-added production

Revenue of Finnish production units

million euros





complex, costly, and time-consuming than planned. The focus of the Swedish unit has shifted more towards selling low-voltage equipment, technical buildings and E-house solutions manufactured in its own factory. During the reporting year, improvements of the process and management models of the manufacturing unit continued, with a particular focus on the implementation of lean principles, including the implementation of specialised tools for production planning and management.

The main goals for the next year are to quickly and efficiently attain maximum operating capacity at the Våsterås plant with targeted profitability for the group. In addition, the focus is on active sales work and increasing business volumes, placing an even greater focus on providing customers with high value-added products manufactured in the factory.

PRODUCTION IN SWEDEN

The production segment in Sweden includes the subsidiary Harju Elekter AB, which specialises in developing medium- and low-voltage solutions for power generation and distribution and supplying to the infrastructure, construction and energy sectors.

The company’s head office is located in Våsterås, in a 6,282 m² production building with the necessary warehouse and office space. Harju Elekter AB had 51 (2024: 56) employees at the end of the reporting period and an average of 55 (2024: 51) people.

Revenue in Sweden in 2025 was 19.6 (2024: 25.4) million euros, which is 22,4% lower than last year. The Swedish entity focuses on the Swedish market, where it earned 97.9% (2024: 99.0%) of the revenue, including intermediate sales of products manufactured in Estonia to the Swedish market which amounted to 10.4 (2024: 6.5) million euros.

The reporting year was challenging for the Swedish unit. The company focused on getting the factory to operate at maximum capacity, and completing the project work concluded in previous years. Several projects have proven to be significantly more

Revenue of Sweden production units





 **PRODUCTION IN LITHUANIA**

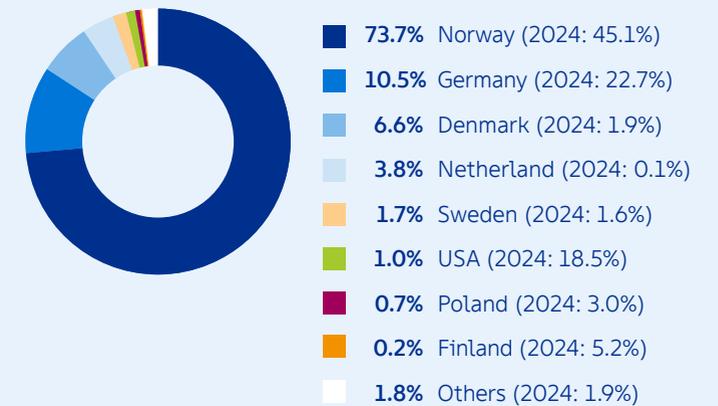
Harju Elekter UAB, a Lithuanian subsidiary, has been part of the Group since 2003. The company’s focus is on developing products and solutions for system integrators and contract manufacturing in the maritime and industrial sectors, supplying customised power distribution and frequency inverter equipment.

The company’s headquarters and production complex is located in Panevežys, Lithuania. As at the year-end, the company employed 260 (2024: 294) people and an average of 277 (2024: 321) people during the reporting year.

The revenue of the Lithuanian factory in the production segment was 51.6 (2024: 57.5) million euros, which is 5.9 million euros less than in previous year. Due to the decline in production volumes, the size of the workforce has decreased, and the company is actively focusing on optimising the use of resources. Employees were temporarily assigned to work in other Group companies to support their resource needs while simultaneously reducing the operating costs of the Lithuanian plant.

During the reporting year, 99.9% (2024: 99.3%) of the production of the factory in Panevežys with an area of more than 17,300 m² were exported worldwide to various destination countries, the most important of which were Norway and Germany.

Lithuanian revenue by markets



Revenue in Lithuanian production unit



During the reporting year, most of the revenue was generated from the development, production, and sale of project based products and services for the marine and shipping sector. The product range was dominated by frequency converter systems, as well as electrical and control switchboards. Supplying high-quality solutions to the maritime sector is closely linked to the company's strong engineering expertise, due to orders being mainly project- and customer-specific solutions that are not available in standard catalogues. The company's largest customers include Kongsberg Maritime AS, and solutions for Norwegian Electric Systems are designed by Harju Elekter UAB engineers.

In addition to active sales efforts, the company contributed during the accounting year to the further development of internal processes, employee qualification improvement, and enhanced occupational safety. A significant investment made during the year was the acquisition of a Komax wire harness machine at the Lithuanian plant.

The main goals for 2026 are to increase production volume and the overall profitability of the plant. Several major new projects are currently being quoted and show a high probability of success. These include:

- Liquid-cooled DC switchboards for renewable energy applications, advanced technologies for hydrogen production;
- Low-voltage switchboards for data centers;
- Multidrive systems for a new steel plant project in Sweden.

Marine projects remain the largest and most strategically important business segment for Harju Elekter UAB, continuing to represent a key driver of both growth and long-term stability.



During the reporting year, most of the revenue was generated in Lithuania from the development, production, and sale of project-based products and services for the marine and shipping sector.

Real estate

The real estate segment includes the development, maintenance, and rental of industrial real estate, services relating to the maintenance of real estate and production capacity, and mediation of services. The activities of the segment are organised by the real estate department of AS Harju Elekter Group, which had 3 employees at the end of the reporting year (2024: 3).

The Group owns properties in industrial parks in Estonia (Keila, Allika and Haapsalu), Finland (Ulvila, Kerava, Kurikka), Sweden (Västerås), and Lithuania (Panevėžys) – a total of 80 ha, with 130,6 thousand m² of production, office, and warehouse space. The company leases space to external customers in the industrial parks of Keila, Allika, and Haapsalu.

In the reporting year, the total revenue of the real estate segment was 7.9 (2024: 7.8) million euros, of which external revenue accounted for 5.4 (2024: 5.4) million euros, accounting for 3.1% (2024: 3.1%) of consolidated revenue. The revenue of the real estate segment was generated in Estonia during the reporting year. Rental income accounted for 86% (2024: 83%) of the revenue of the real estate segment and utilities and other services 14% (2024: 17%).

During the reporting period, 0.5 (2024: 1.9) million euros was invested in the real estate segment. A large part of the investments during the reporting period were related to the renovation works of the premises leased to Prysmian Group Baltics AS.



By October 2026, a 4,000 m² expansion of the Estonian manufacturing unit in the Keila Industrial Park will be completed.

Other activities

Total revenue from other non-segment activities amounted to 9.4 (2024: 8.2) million euros, of which external revenue amounted to 5.7 (2024: 5.0) million euros, increasing 14% compared to the previous year. Other activities accounted for 3.3% (2024: 2.9%) of the Group's consolidated revenue.

ESTONIA

AS Harju Elekter Group is the parent company of the Group, the activities of which are divided into two: real estate and other activities. In addition to activities related to the development and rental of industrial real estate, the parent company is engaged in:

- coordinating cooperation between the Group's companies;
- strategic management of subsidiaries through the Supervisory Board and Management Boards;
- managing the Group's cash flows;
- managing the Group's investor relations;
- Group-wide sales, marketing and product development and management;
- managing Group-wide production and procurement;
- investment planning and management;
- business development;
- supporting the Group's companies in the fields of human resources, information technology, communication, finance, and law.

At the end of the reporting period, 24 (2024: 22) people were employed in the parent company outside the real estate department.

Among other activities, investment management is one of the most important for the AS Harju Elekter Group. At the end of the reporting year, the investment portfolio consisted of various listed securities in the amount of 0.025 (2024: 0.03) million euros and an investment in OÜ Skeleton Technologies Group in the amount of 27.2 (2024: 27.2) million euros.

In April, AS Harju Elekter Group's Finnish subsidiary, Harju Elekter Oy, exited a financial investment through which a 9.15% stake was divested in IGL-Technologies Oy, a leading Finnish developer of parking and e-mobility solutions and an operator of parking and charging systems.

Energio Veritas OÜ is AS Harju Elekter Group 100% subsidiary, whose active economic activity has been suspended and the company did not generate revenue during the reporting period.

FINLAND

Telesilta Oy is an electrical engineering company established in 1978, in Uusikaupunki, Finland, specialising in the design of electrical systems for ships and the manufacture, installation, commissioning, and maintenance of equipment for the Finnish market. The company offers customer-specific solutions, with a marginal share of proprietary products. Telesilta Oy has been part of the Group since 2017. In addition to Uusikaupunki, the company has units for electrical works in the ports of Turku and Rauma.

At the end of the reporting year, the company had 43 (2024: 35) employees and the average number of employees during the reporting period was 38 (2024: 37). The revenue for the reporting year was 5.8 (2024: 5.3) million euros, having increased by 9.4% over the year. The focus during the reporting year was on the successful implementation of major projects concluded and started in previous years. Active efforts were also made to pursue various cooperation opportunities and to secure land based projects in addition to those in the marine sector.

The goals for 2026 are effective and timely execution of the existing and key customer contracts with a focus on increasing profitability.

Share and Shareholders

ISIN code EE3100004250	Security ticker HAEIT	Number of securities 18,525,770	Carrying amount 0.63 euros	Date of listing 30.09.1997	AS Harju Elekter Group has been listed on Nasdaq Tallinn since 30 September 1997.
---------------------------	--------------------------	------------------------------------	-------------------------------	-------------------------------	---

All of the Company’s shares are freely traded on the stock exchange, and each share carries equal voting and dividend rights. The shareholders of Harju Elekter are equal, and there are no restrictions or separate agreements concerning voting rights. To the best of the Company’s knowledge, there are no restrictions on the transfer of securities or other specific control rights arising from shareholder agreements.

During the reporting year, the share capital and the number of shares changed as a result of the option programme approved in 2021. The Supervisory Board of AS Harju Elekter Group increased the Company’s share capital by 17,010 euros by issuing 27,000 new ordinary shares without nominal value. The issue price per share was 4.50 euros, of which 0.63 euros represented the book value of the share. Participants in the

option programme submitted subscription applications by the prescribed deadline, and all 27,000 shares were subscribed. Following the increase, the share capital of AS Harju Elekter Group amounted to 11.67 million euros and is divided into 18.5 million ordinary shares without nominal value.

Share price and trading

In 2025, the global economy followed a path of subdued but stable growth. Global economic growth slowed, influenced by higher tariffs, political uncertainty and cautious investment activity.

Equity markets were characterised by volatility during the year; however, the overall performance proved to be stronger

than expected. After a challenging first half of the year, equity markets entered a clear upward trend in the second half, supported by declining inflation, a stabilising interest rate environment and strong corporate profitability. Market growth was mainly driven by technology sector companies.

During the reporting year, the Nasdaq Tallinn index increased by 18.42%, while the share price of AS Harju Elekter Group increased by 6.0%. On the last trading day of the year, the Company’s share closed at 4.85 euros. Compared to previous years, trading activity increased, and a total of 0.85 (2024: 0.75) million shares were traded during the year, resulting in a turnover of 4.0 million euros. Based on the closing price as at 31 December, the market capitalisation of the Company amounted to 89.78 (2024: 84.6) million euros.

Share price and trading

	2025	2024	2023	2022	2021
Average number of shares (pcs)	18,512,270	18,498,770	18,355,774	18,134,463	17,855,220
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
Medium price (euros)	4.70	4.77	5.04	6.04	7.83
Lowest price (euros)	4.00	4.20	4.90	4.85	5.20
Closing price (euros)	4.85	4.58	4.97	5.01	7.44
Change in the closing price (%)	5.4	-7.9	-0.8	-32.70	43.6
Company's market capitalization (millions)	89.78	84.63	91.94	91.63	134.06

	2025	2024	2023	2022	2021
Traded shares (pcs)	854,787	751,657	1,154,685	929,491	2,048,865
Turnover (million euros)	4.01	3.59	5.82	5.60	15.85
Net profit per share (euros)	0.58	0.17	0.28	-0.31	0.15
P/E ratio (ratio)	8.33	26.66	17.75	-18.08	51.13
Dividend per share (euros)	⁽¹⁾ 0.25	0.15	0.13	0.05	0.14
Dividend rate (%)	5.2	3.3	2.6	1.0	1.9
Dividend/net profit (%)	42.9	87.4	46.2	-	96.2

(1)- Management Board's proposal

Change in the share price of AS Harju Elekter Group compared to the change in share indexes between 31 December 2020 and 31 December 2025.



The share price of AS Harju Elekter Group (in euros) on Nasdaq Tallinn Stock Exchange between 31 December 2020 and 31 December 2025 (Nasdaq Tallinn, www.nasdaqbaltic.com/)



Structure of shareholders

As at 31 December 2025, AS Harju Elekter Group had 10,429 shareholders. Over the past ten years, the number of shareholders has increased by 8,504, although compared to the previous year the number decreased by 371. One of the reasons for this decline has been the increased interest of investors in other markets, which has reduced the share prices of many Baltic listed companies and affected the overall number of shareholders. The largest shareholder of AS Harju Elekter Group is the locally owned AS Harju KEK, holding 30.06% of the Company's share capital. The ownership structure of Harju Elekter shares remained unchanged during the reporting year: Estonian shareholders accounted for 87.4% and foreign investors for 12.6%, the same proportions as in the previous year. As at 31 December 2025, the members of the Supervisory Board and Management Board held 5.42% of the Company's shares directly and indirectly ([Note 14](#) and [Corporate Governance Report](#)). The complete list of shareholders of AS Harju Elekter Group is available on the Nasdaq CSD website.

Breakdown of shareholders by holding and list of shareholders holding more than 5% as at 31 December 2025:

Shareholding %	Number of shareholders	% of total number	Voting right %
More than 10%	2	0,0	40.1
1.0-10.0%	6	0,1	18.2
0.1-1.0%	64	0,6	17.3
Less than 0.1%	10,357	99.3	24.4
Total	10,429	100.0	100.0

Shareholders	Shareholding (%)
AS Harju KEK	30.06
ING Luxembourg S.A.	10.01
Endel Palla	7.45
Shareholders with holdings less than 5%	52.48
Total	100.00



Break-down of shareholders by country, as at 31 December 2025:

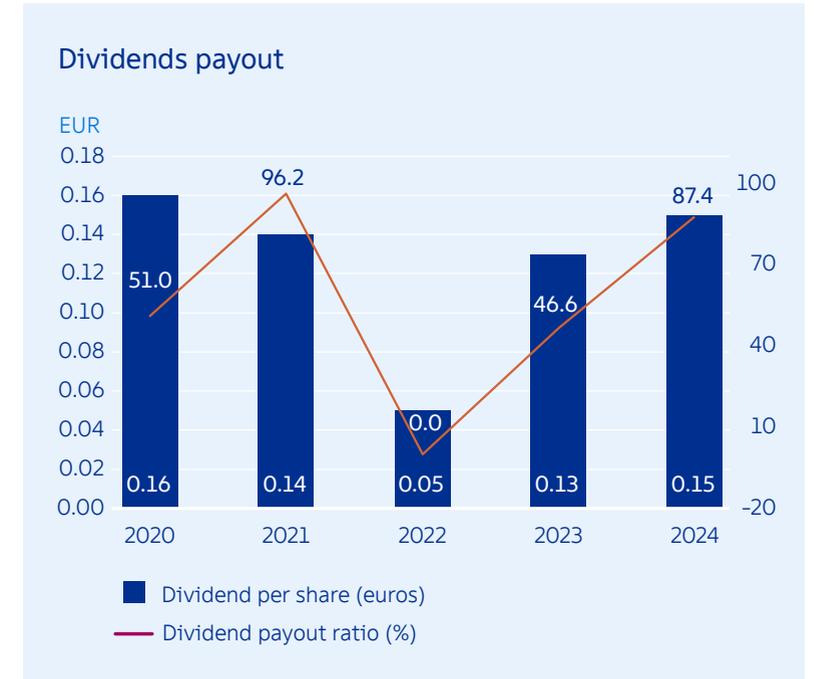
Country	Total number of shareholders	Number of shareholders (pcs)			Total number of shares	Number of shares (pcs)			Total % of shares	Total % of shares		
		Legal	Private	Banks and nominee accounts		Legal	Private	Banks and nominee accounts		Legal	Private	Banks and nominee accounts
Estonia	10,262	824	9,437	1	16,196,231	6,889,879	9,247,260	59,092	87.4	37.1	50.0	0.32
Luxembourg	1	-	-	1	1,854,203	-	-	1,854,203	10.0	-	-	10.0
Finland	60	1	58	1	152,403	10,000	22,879	119,524	0.8	0.1	0.1	0.6
Lithuania	5	-	-	5	127,005	-	-	127,005	0.7	-	-	0.7
Sweden	14	-	9	5	55,070	-	2,689	52,381	0.3	-	0.0	0.3
Other countries	87	0	75	12	140,858	0	26,352	114,506	0.8	0.0	0.1	0.7
Total	10,429	825	9,579	25	18,525,770	6,899,879	9,299,180	2,326,711	100.0	37.2	50.2	12.6

Dividends

In accordance with the Group’s dividend policy, at least one third of the regular net profit from operating activities is distributed to shareholders as dividends. The actual dividend payout depends on the Group’s cash flows, development prospects and the need to finance future investments.

On 24 April 2025, the Annual General Meeting of Shareholders of AS Harju Elekter Group was held, at which the following resolutions were adopted: the amendment to the Articles of Association, the remuneration principles for the members of the Management Board, the 2024 annual report and the profit distribution proposal were approved. It was also decided to pay shareholders a dividend of 0.15 euros per share for the year 2024, totalling 2,775 thousand euros. Dividend payments were made to shareholders’ bank accounts on 28 May 2025.

In agreement with the Supervisory Board, the Management Board proposes to pay a dividend of 0.25 euros per share for the 2025 financial year. The total dividend payout would amount to 4.6 million euros and would represent 42.9% of the net profit attributable to the owners of the parent company.





Corporate Governance Report 2025

- › General Meeting
- › Management Board
- › Supervisory Board
- › Cooperation between the Management Board and the Supervisory Board
- › Diversity Policy
- › Publication of Information
- › Financial Reporting and Auditing
- › Additional Managing Bodies and Committees
- › Audit Committee

AS Harju Elekter Group bases its management on the company's strategy, values, the commercial code, and the Corporate Governance Code approved by Finantsinspektsioon.

AS Harju Elekter Group is a public limited company whose managing bodies are the general meeting of shareholders, the Supervisory Board, and the Management Board.



General Meeting

Exercise of rights by shareholders

The general meeting of shareholders is the highest managing body of AS Harju Elekter Group, which is authorized, among others, to amend the articles of association and the share capital, elect and remove members of the Supervisory Board, appoint the auditor, approve the annual report, and distribute profit, and decide on the issues provided for by law.

Each shareholder has the right to participate and vote at the General Meeting, either in person or through an authorised representative, to speak on the items on the agenda, to submit reasoned questions, and to make proposals.

Each share of Harju Elekter grants equal voting and dividend rights. All shareholders are equal and there are no separate restrictions and agreements concerning the right to vote. As far as is known to Harju Elekter, the mutual contracts between shareholders include no restrictions on the transfer of securities or other specific rights of control.

Calling a general meeting and information to be published

The general meeting is called by the Management Board with at least three weeks' notice. The annual general meeting takes place once a year, not later than six months after the end of the company's financial year. The Management Board calls an extraordinary general meeting in cases and in the manner prescribed by law.

The agenda of the general meeting, the proposals of the Management Board and the Supervisory Board, draft resolutions, and other relevant materials are made available to shareholders before the general meeting. Harju Elekter published the notice of calling an annual general meeting on 27 March 2025 via the information system of Nasdaq Tallinn Stock Exchange and on its website, and in Postimees. Shareholders had the opportunity to send questions and make different proposals about the topics on the agenda to the e-mail address given in the notice, and to review the annual report on Harju Elekter's website and at the stock exchange information system. In 2025, shareholders did not submit any questions or proposals on the topics listed in the agenda before the general meeting.

Holding a general meeting

The general meeting is authorised to adopt resolutions if over one-half of the votes represented by shares are present thereat. A resolution of the general meeting is adopted if over one-half of the votes represented at the general meeting are in favour of the resolution unless the law prescribes a greater majority requirement.

The general meeting of shareholders of AS Harju Elekter Group of 2025 was held on 24 April in Tallinn, Nordic Hotel Forum. Shareholders had the opportunity to vote before the meeting via email or postal mail. Four shareholders voted before the meeting.

The meeting was held in Estonian and chaired by lawyer Ursula Pöld, who introduced the general meeting execution procedure. All the members of the Management Board and the Supervisory Board attended the meeting. The auditor did not participate in the general meeting. 62 shareholders or their authorised representatives attended the meeting and they represented 61.38% of the total number of votes.

The general meeting approved the annual report for 2024 and profit distribution proposal and decided to pay the shareholders dividends for 2024 in the amount of 0.15 euros per share, 2.8 million euros in total. The company's registered office was changed, and the new articles of association as well as the principles of remuneration for the members of the Management Board were confirmed. The decisions made at the general meeting were published in the information system of the Nasdaq Tallinn Stock Exchange and on the company's website.

Participation in the general meeting, i.e. voting, were not made possible through communication means (GCG clause 1.3.3), as there was no need, demand, or suitable technological solution for this.

Management Board

Functions of the Management Board

The Management Board is the managing body of AS Harju Elekter Group that represents the company and directs the everyday activities of the company in accordance with the requirements of law and the articles of association. Each member of the Management Board may represent the company in all legal acts. The Management Board is required to act in the most economically purposeful manner and make everyday management decisions independently, proceeding from the best interests of Harju Elekter and the shareholders, and leaving aside their personal interests.

Composition and remuneration of the Management Board

The Management Board consists of one to five members for a term of three years. The Chairman of the Management Board, who organizes the work of the Management Board, is appointed by the company's Supervisory Board. Harju Elekter has not established a nomination committee, and individuals with sufficient knowledge and experience to participate in the work of the Management Board are elected as members.

As of 31 December 2025, the Management Board of AS Harju Elekter Group had five members: Tiit Atso (the Chairman of the Management Board) – general and strategic management of the Group, Priit Treial – financial management, Aron Kuhi-Thalfeldt – real estate and energy topics, Erko Lepa – production and supply chain management, and Tiit Luman – sales, marketing, and product management.

The remuneration of a Management Board member must be such that it motivates the person to act in the best interests of the company. The basic salary of a Management Board member

is agreed upon in the Management Board member's contract according to the decision of the Supervisory Board. Remuneration is paid to the members of the Management Board according to the contract of a member of the Management Board.

The performance pay for members of the Management Board is set at total of 0.75% of the consolidated operating profit of the Harju Elekter group. The performance pay is paid in two instalments: 80% of the performance pay of the first half of the year, after the results of the first half become known; performance pay of the second half of the year, together with the previously formed 20% reserve after the audited annual results have become known.

The annual performance pay paid to members of the Management Board is 1.0% of the consolidated net profit. Disbursement of the performance pay of the second half of the year and the annual performance pay is coordinated with the Supervisory Board and disbursed after the audit of the group's annual accounts. The amount of performance pay is proportional to the share of basic salary in the basic salary total.

According to the remuneration principles confirmed by the general meeting in 2025, the performance bonus rate for a Management Board member, starting from the results of 2025, is 0.6% of the consolidated operating profit (EBIT) of the Harju Elekter Group for the portion up to 9 million euros, and 1% for the portion of operating profit exceeding 9 million euros. The performance bonus is paid in a single installment after the audited annual results have been established, in coordination with the Supervisory Board.

The Supervisory Board may recall a Management Board member regardless of the reason. A Management Board member may resign regardless of the reason, by notifying the Supervisory Board. The rights and obligations arising from the contract concluded with the Management Board member will end according to the contract. Members of the Management Board

are entitled to receive severance compensation of up to six months' remuneration. The board member is paid up to 40% of his/her current professional fee for establishing a non-competition restriction. The restriction of competition can be applied for a maximum of 12 months.

Gross remuneration paid to members of the Management Board in 2025:

EUR'000	Basic remuneration	Performance pay
Tiit Atso	166	20
Aron Kuhi-Thalfeldt	118	13
Priit Treial	133	14
Erko Lepa	133	15
Tiit Luman	133	15

Stock options granted to members of the Management Board as of 31 December 2025:

	Quantity	Exercise price (EUR)	Subscription time*
Tiit Atso	10,000	4.50	05.01.2026
Aron Kuhi-Thalfeldt	10,000	4.50	05.01.2026
Priit Treial	14,000	4.50	05.01.2026
Erko Lepa	10,000	4.50	05.01.2026
Tiit Luman	10,000	4.50	05.01.2026

*The Supervisory Board of AS Harju Elekter Group decided to extend the subscription deadline for administrative reasons (the original deadline was 21 December 2025).

As at the end of 2025, the members of the company's Management Board held a total of 0,31% (2024: 0,31%) of the company's shares directly and via indirect holdings ([Note 14](#)).

Members of the Management Board as at 31 December 2025:

**TIIT ATSO**

Chairman of the Management Board

Tiit Atso has a master's degree in urban and environmental economics from Tallinn University of Technology. He has been working at Harju Elekter since 2014, mainly as the Group's CFO. Since 2016, he has been a member of the Management Board of AS Harju Elekter Group and since 2020, the Chairman of the Management Board. He is Chairman of the Supervisory Board of AS Harju Elekter, Chairman of the Board of Harju Elekter UAB, Harju Elekter Oy, Telesilta Oy and Harju Elekter AB and member of the Board in Harju Elekter Kiinteistöt Oy and Harju Elekter Services AB. Tiit Atso is shareholder and Member of the Management Boards of Holm Capital OÜ, Holm Kinnisvara OÜ and Justin Taim OÜ.

As of 31.12.2025 Tiit Atso owns 30,548 Harju Elekter shares. He has direct participation 0.16%.

**ARON KUHI-THALFELDT**

Member of the Management Board

Aron Kuhi-Thalfeldt has a master's degree in electrical engineering from Tallinn University of Technology. He has worked at Harju Elekter since 2003, starting as a construction and energy engineer. From 2007 to today, he has been the Head of Real Estate and Energy services, and since 2016 he has been a Member of the Management Board of AS Harju Elekter Group. He is Chairman of the Board of Harju Elekter Kiinteistöt Oy and Harju Elekter Services AB, Member of the Supervisory Board of AS Harju Elekter, and Member of the Board of Harju Elekter UAB, Harju Elekter Oy, Telesilta Oy and Harju Elekter AB. He is Member of the Management Board of Energo Veritas OÜ.

As of 31.12.2025 Aron Kuhi-Thalfeldt owns 25,529 Harju Elekter shares. He has direct participation 0.14%.

**PRIIT TREIAL**

Member of the Management Board

Priit Treial has a bachelor's degree in economics from the University of Tartu. He acts as the Group's CFO and as a Member of the Management Board of AS Harju Elekter Group from the fall of 2022. Previously, Priit Treial worked as a financial controller at Eesti Energia and as a CFO and Management Board Member at Elektrilevi. In addition, he has long-term work experience as an investment analyst and group business controller from the commercial real estate company BPT Real Estate AS. He is a Member of the Supervisory Board of AS Harju Elekter, Member of the Board of Harju Elekter Oy, Harju Elekter UAB, Telesilta Oy, Harju Elekter AB, Harju Elekter Kiinteistöt Oy, Harju Elekter Services AB.

As of 31.12.2025 Priit Treial owns 400 of Harju Elekter shares. He has direct participation 0.002%.



ERKO LEPA

Member of the Management Board

Erko Lepa joined Harju Elekter in the autumn of 2021. As of 1 January 2025, he is a member of the Management Board of AS Harju Elekter Group and is responsible for production, supply chain, and strategic procurement within the Group. Previously, Erko Lepa worked at ABB in various positions, starting as a production development engineer and finishing as a transformation manager, being responsible for ABB's global transformation in the motors and generators business. Erko Lepa holds a master's degree in electric drives and power electronics from Tallinn University of Technology. Erko Lepa is a member of the Supervisory Board of AS Harju Elekter, Harju Elekter UAB, Harju Elekter Oy, Telesilta Oy, Harju Elekter AB, Harju Elekter Kiinteistöt Oy, and Harju Elekter Services AB. Erko Lepa is also a shareholder and Member of the Management Board of LepaTec OÜ.

As of 31.12.2025, Erko Lepa owns 2,173 shares of AS Harju Elekter Group. He has a direct holding 0.01%.



TIIT LUMAN

Member of the Management Board

Tiit Luman has worked at Harju Elekter since 2008 as Sales Director and Head of Strategic Partnerships. As of 1 January 2025, he is a member of the Management Board of AS Harju Elekter Group and is responsible for marketing, product, and sales management within the Group. Tiit Luman holds a master's degree in business finance and electrical engineering from Tallinn University of Technology. Tiit Luman is a member of the Supervisory Board of AS Harju Elekter, Harju Elekter UAB, Harju Elekter Oy, Telesilta Oy, Harju Elekter AB, Harju Elekter Kiinteistöt Oy, and Harju Elekter Services AB.

As of 31.12.2025, Tiit Luman does not own any shares of AS Harju Elekter Group.

Conflict of interest

The members of the Management Board abstain from conflicts of interest and follow the requirements of prohibition of competition. The members of the Management Board must inform the other members of the Management Board and the chairman of the Supervisory Board of Harju Elekter of any business propositions made to them, the persons close to or related to them, which are associated with the company's economic activities. The Supervisory Board decides on the conclusion of transactions with a member of the Management Board of Harju Elekter or persons close to or related to them that are important for the company and determine the terms and conditions of such transactions, except when such transactions are made in the course of everyday economic activities at market prices.

Management Board members are not members of the Management or Supervisory Boards of other issuers (listed companies). All Management Board members participate in the work of the Management and Supervisory bodies of the group's subsidiaries.

A member of the Management Board of Harju Elekter does not demand or accept from third parties' money or any other benefits for personal purposes in connection with their work or grant to third parties any unlawful or unreasonable advantages on behalf of the issuer. There were no conflicts of interest or corruption in 2025.

Supervisory Board

Functions of the Supervisory Board

The Supervisory Board plans the company's activities, organizes its management, and supervises the activities of the Management Board. The Supervisory Board decides on the company's development strategy and investment policy, the conclusion of transactions with immovables and the approval of the investment and annual budget prepared by the Management Board. Meetings of the Supervisory Board are held when necessary but not less frequently than once every quarter.

In 2025, twelve meetings of the Supervisory Board were held and one decision was made without convening a meeting. Märt Luuk, Risto Vahimets, Arvi Hamburg, and Andres Toome attended all Supervisory Board meetings; Triinu Tombak attended eleven meetings and Aare Kirsme attended nine.

Composition and remuneration of the Supervisory Board

According to the articles of association, the Supervisory Board of Harju Elekter has three to seven members for a term of five years. At least half of the members of the supervisory board must be independent within the meaning of the Corporate Governance Code. If there is an uneven number of Supervisory Board members, the number of independent members may be one less than the number of dependent members.

Since 28 April 2022, the company has had a six-member Supervisory Board, consisting of Chairman Triinu Tombak and members Risto Vahimets, Märt Luuk, Arvi Hamburg, Aare Kirsme, and Andres Toome. Of the six members of the Supervisory Board, one – Risto Vahimets – is an independent member.

The authorities of the members of the Supervisory Board remain valid until 3 May 2027.

As of 4 May 2022, the remuneration of a member of the Supervisory Board and the Chairman of the Supervisory Board determined by the general meeting is 2,000 euros per month and 2,500 euros per month, respectively. AS Harju Elekter Group will not be obliged to pay compensation when the authorization of the members of the Supervisory Board expires or are terminated.

Gross remuneration paid to Members of the Supervisory Board in 2025:

EUR '000	Basic remuneration	Audit committee remuneration
Triinu Tombak	30	4
Aare Kirsme	24	
Andres Toome	24	4
Arvi Hamburg	24	
Risto Vahimets	24	4
Märt Luuk	24	

As at the end of 2025 members of the Supervisory Board do not own stock options.

As at the end of 2025, the members of the company's Supervisory Board held a total of 5.11% (2024: 4.65%) of the company's shares directly and via indirect holdings (Note 14).

Conflict of interest

The members of the Supervisory Board abstain from conflicts of interest and follow the requirements of prohibition of competition. As a member of the Supervisory Board, one should prioritize the interests of the issuer over their personal interests or the interests of any third parties. Members of the Supervisory Board do not use commercial offers aimed at the issuer in their personal interests. A member of the Supervisory Board will not vote at the meetings of the Supervisory Board if granting consent to the conclusion of a transaction between the member of the Supervisory Board and Harju Elekter is being decided or if a similar conflict of interest is caused by a transaction of a related party of the member of the Supervisory Board. There were no such conflicts of interest in 2025. Also, no significant transactions were concluded in 2025 between Harju Elekter and the members of the Supervisory Board or people close to or related to them.

Members of the Supervisory Board as at 31 December 2025:

**TRIINU TOMBAK**

Chairman of the Supervisory Board

Triinu Tombak has been a Member of AS Harju Elekter Group's Supervisory Board from 1997 to 2007 and from 2012 to today, and the Chairman of the Board from the spring of 2022. She graduated from the Faculty of Economics of Tallinn University of Technology and works as the manager of TH Consulting OÜ. In 2013-2019 she was a Member of the Board of the think tank Praxis (including Chairman of the Board in 2015-2017). From 2001 to 2009, she worked at the World Bank and from 1993 to 1998 at the Estonian Investment Bank. Triinu Tombak is a Board Member of the Estonian Badminton Association and Supervisory Board member of AS Saarte Liinid.

As of 31.12.2025, Triinu Tombak owns 30,000 Harju Elekter shares. Her direct holding is 0.16%.

**ANDRES TOOME**

Member of the Supervisory Board

Andres Toome worked at Eesti Pank in 1992, in years 1992-1998 at Eesti Investeerimispank, in 1998-2000 at Optiva Bank and in 2000-2002 at Sampo Pank. He is a Member of the Supervisory Board of OÜ Proformex, AS Harju KEK, KEKE OÜ, AS Entek, Laagri Vara AS, Valdmäe Tööstuspargi OÜ, OÜ KEK Kinnisvara, H11 OÜ, OÜ Tarbus Kinnisvara, AS Tallinna Olümpiapurjespordikeskus, Harju 4 OÜ and Hoiupanga Töötajate AS. In addition, Andres Toome is a shareholder and member of the Management Board of OÜ Tradematic, 30pluss OÜ, Hermes Worldwide OÜ, OÜ Firm Group, OÜ M50, OÜ Sherwood, and 139E Kinnisvara OÜ. He is also a shareholder in Poolmere OÜ and Hestra Raamatupidamise OÜ-s and a member of the Management Board of SAMSI II OÜ.

As of 31.12.2025 Andres Toome owns 50,000 of Harju Elekter shares. He has direct participation 0.27% and indirect participation 0.78%.

**ARVI HAMBURG**

Member of the Supervisory Board

Arvi Hamburg is a doctor of energy and geotechnology at Tallinn University of Technology and an authorized electrical engineer who has worked as a professor and lecturer at various Estonian universities. 1987-1990 until 1990, he worked as the deputy director general of Eesti Energia, and from 1990 to 1992 in the Ministry of Industry and Energy as a deputy minister. In the years 1992-2001, he was the Deputy Chancellor of the Ministry of Economy and Minister's Advisor. Arvi Hamburg is socially active, serving as the Chair of the Advisory Board of the Tallinn University of Applied Sciences, a member of the Professional Council for Engineering, Manufacturing and Production at the Estonian Qualifications Authority, and a member of the Board of AS Ecomatic, the Foundation for Valuing TalTech Traditions, and the Foundation for the Initiators of the Estonian Museum of Science and Technology. He is also a member of the Management Board of the World Energy Council Estonian National Committee and the MTÜ Eesti Klubi.

As of 31.12.2025 Arvi Hamburg owns 25,500 Harju Elekter shares. He has direct participation 0.14%.



AARE KIRSME

Member of the Supervisory Board

Aare Kirsme has a degree in law from the University of Tartu. He has practiced as a lawyer at AS Devest from 2002 to 2011 and as a legal consultant at Harju KEK from 2000 to 2013. Aare Kirsme belongs to the Supervisory Board of OÜ KEK Kinnisvara, AS Laagri Vara, AS Harju KEK, OÜ Valdmäe Tööstuspargi, AS EKE, H11 OÜ, KEKE OÜ, Harju 4 OÜ and AS Entek. In addition, he is a Member of the Board of Kindluse Kodud OÜ and OÜ Devest Kaubandus, also a shareholder and member of the board of OÜ Kirschmann, OÜ Silvertec and Helicraft OÜ.

As of 31.12.2025 Aare Kirsme owns 235,750 Harju Elekter shares. He has direct participation in share capital 1.27% and indirect participation 1.01%.



RISTO VAHIMETS

Member of the Supervisory Board

Risto Vahimets is a partner of the law firm Ellex Raidla Advokaadibüroo OÜ, a sworn attorney, whose main areas of activity are M&A and strategic consulting, restructuring and problem areas consulting. He has bachelor's degree in law from the University of Tartu (cum laude) and M.A. from the University of Connecticut. Risto Vahimets is member of the supervisory board of AS Fifaa, Sportland International Group AS, Sportland Eesti AS ja AS Pontos Baltic and member of the management board of R8Tech Strategy Committee and Leden Group Oy. Also, a shareholder and board member of Vahimetsa Investeeringute OÜ.

As of 31.12.2025, Risto Vahimets does not own any Harju Elekter shares. He has indirect participation 0.02%.



MÄRT LUUK

Member of the Supervisory Board

Märt Luuk has obtained his higher education from Tallinn University of Technology. He belongs to the Supervisory Board of AS Harju Ehitus, AS Harju KEK, AS Laagri Vara, OÜ KEK Kinnisvara, Valdmäe Tööstuspargi OÜ, AS Taakes, AS Entek, H11 OÜ, KEKE OÜ and Harju 4 OÜ. In addition, he is a Member of the Management Board of HE Ehituse ja Kinnisvara OÜ and a shareholder and a member of the board OÜ Landler Holding and a shareholder of Kindluse Kodud OÜ.

As of 31.12.2025, Märt Luuk owns 45,503 Harju Elekter shares. His direct participation is 0.25% and indirect 1.21%.

Cooperation between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board cooperate closely for the purpose of the best protection of interests of AS Harju Elekter Group. The Management Board regularly informs the Supervisory Board of any important matters that concern planning the activities of the Group as well as its business activities and draws particular attention to important changes in the business activities of Harju Elekter. The Management Board forwards data, incl. financial reports, to the Supervisory Board in sufficient time prior to Supervisory Board meetings. The management of the company is governed by relevant laws, the articles of association and the decisions of and the goals set by the meetings of shareholders and the Supervisory Board.

Diversity policy

Pursuant to subsection 24² (4) of the Estonian Accounting Act, a large company who has issued securities that grant the right to vote, and these have been accepted for trading on the regulated securities market of Estonia or another contracting state must describe the diversity policy implemented in the company's Management Board and the highest managing body, and the results of its implementation in the reporting year in its corporate governance report. If the diversity policy has not been implemented in the reporting year, the reasons of this must be explained in the corporate governance report.

AS Harju Elekter Group has not considered it necessary to prepare a document covering diversity policy and people are elected

and appointed to the highest managing bodies primarily in consideration of the possible added value that they bring to the management of the Group with their knowledge and skills, and their suitability. Nobody is discriminated against on the grounds of age, gender, religion, origin or other characteristics.

Publication of information

As a listed company, AS Harju Elekter Group proceeds from the principles of openness and equal treatment of shareholders. The information required in the stock exchange regulations is published regularly in accordance with the deadlines, and the company thereby follows the principle that it will not publish any forecasts – only factual events that have taken place are reported and commented. This information is published in Estonian and English on the websites of the Nasdaq Tallinn Stock Exchange, the company and the Financial Supervision Authority. In order to quickly inform the shareholders and the public.

The company has a website that includes stock exchange notices, economic reports, compositions of the Management Board and the Supervisory Board, information on the auditor, an overview of the Group, its history, products and other important information.

AS Harju Elekter Group's strategy foresees focused production and more centralized management. Corporate strategy is one part of sustainability strategy.

The company does not find it important to keep a schedule regarding the time and agenda of the meetings of different shareholders according to point 5.6 of the CGC, because the information discussed at the meetings has already been published. The company always proceeds from the principle of equal treatment of shareholders in its activities. Mandatory,

important, and price-sensitive information is first disclosed in the system of the Nasdaq Tallinn Stock Exchange and then on the websites of the Financial Supervision Authority and the company. Each shareholder also has the right to request additional information from the company and set up meetings. This rule applies in the case of all meetings, also immediately before the disclosure of financial reports.

Financial reporting and auditing

The consolidated accounts of AS Harju Elekter Group are prepared in accordance with the International Financial Reporting standards (IFRS) as adopted by the European Union. The purpose of financial reporting processes is to ensure uniform and reliable reporting of the group in accordance with legislation and other existing requirements. The reporting processes are performed by the group's Financial Reporting manager. The principles of reporting are determined by the Group's internal rules, employee job descriptions, and sector-specific guidelines. If necessary, external experts will be involved, and other external audits and inspections will be taken into account in the activities.

The identification of risk areas associated with processes, as well as the upgrading and development of internal control systems, are carried out continuously. Changes in legislation and requirements are constantly monitored, and the impact of such changes on the internal rules and principles in force within the Group is analyzed and amended as necessary. Summaries of audits and consultative work carried out are submitted to the Audit Committee, and the most important observations and recommendations are presented at meetings of the Supervisory Board. In 2025, there was no separate internal audit position in the company; the internal audit function was ensured by an independent external provider engaged on a project basis, who submitted an overview of the

internal audit activities to the Audit Committee. In 2025, this service provider was Ernst & Young Baltic AS.

To better assess and manage the company's risks, the group's companies prepare a budget for the next financial year. Current implementation of approved budgets is monitored and regularly reviewed at meetings of the Supervisory Board.

AS Harju Elekter Group publishes yearly the annual report and quarterly its interim reports. Annual reports are audited and approved by the Supervisory Board and the general meeting.

AS Harju Elekter Group and its subsidiaries are audited by PricewaterhouseCoopers AS in 2024–2025, except for Telesilta Oy, which is audited by KPMG Oy.

The information on the auditor is accessible on the company's website. The auditors are remunerated for their work according to contract. During the reporting year, a total of 286 thousand euros was paid to the audit firm, including 208 thousand for the financial audit, 78 thousand for the sustainability reporting audit, and 509 euros for training expenses.

During the reporting period, the auditor did not inform the Supervisory Board of any significant circumstances that have become known to them, which may affect the work of the Supervisory Board and the management of the issuer. Neither did the auditor inform the Supervisory Board of any threats to the auditor's independence or professionalism. The auditor gave the audit committee formed by the Supervisory Board a written overview of the course of the audit of the company in 2025, the observations made and any other important topics that were discussed with the Management Board of the company.

Additional managing bodies and committees

The necessary procedures in the company are regulated with rules and guidelines, and there has been no practical need for the establishment of additional managing bodies and committees (including remuneration committee, appointment committee).

Audit committee

In 2010 the Supervisory Board of the public limited company formed an audit committee in relation to obligation arising from the Auditors Activities Act, whose task is to monitor and analyze the processing of financial information, the efficiency of risk management and internal control, the process of auditing the consolidated financial statements, the independence of the audit firm and the auditor who represents the audit firm on the basis of law, and make proposals and recommendations to the Supervisory Board in the issues stipulated by law. The audit committee is an advisory body subject to supervision by the Supervisory Board.

In 2025, six meetings of the Audit Committee were held, three of which included the external internal auditor.

The audit committee of AS Harju Elekter Group has three members. Since 2012, the members of the council are Andres Toome (chairman), Triinu Tombak and since 2022 Risto Vahimets.



Remuneration Report 2025

> Remuneration of Members of the Management Board

This remuneration report of AS Harju Elekter Group provides an overview of the remuneration and benefits paid to the members of the Management Board during the reporting period from 1 January 2025 to 31 December 2025. The remuneration report follows the remuneration principles for members of the Management Board approved by the Supervisory Board and endorsed by the general meeting of shareholders in 2022 and is in accordance with the provisions of the Estonian Securities Market Act. The Annual General Meeting of Shareholders held in 2025 approved new remuneration principles for the members of the Management Board, which apply to performance bonuses paid for the 2025 financial year.

The core of the remuneration principles of the members of the Management Board of AS Harju Elekter Group is the achievement of the Company’s long-term strategic objectives, the protection of interests and the promotion of sustainable development.

Remuneration of Members of the Management Board

The remuneration of members of the Management Board of AS Harju Elekter Group (basic and performance-based remuneration and additional benefits) will be determined taking into account the company’s practices, strategy, financial indicators and short- and long-term priorities. In addition, the tasks and scope of responsibilities of each member of the Management Board and their contribution to the management

and development of the company are considered. Remuneration needs to be competitive to attract and retain experienced, competent and professional top managers.

The basic remuneration principles are reviewed regularly, at least once a year, and changes are made if necessary to ensure their timeliness and relevance.

The members of the Management Board are remunerated pursuant to their contracts. The remuneration of a member of the Management Board is determined with a decision of the Supervisory Board.

The performance pay for the period for the members of the Management Board is set at 0.75% of the consolidated operating profit of the Harju Elekter Group. The performance pay is paid in two instalments: 80% of the performance pay of the first half of the year, after the results of the first half become known; performance pay of the second half of the year, together with 20% of the performance pay for the first half, after the audited annual results have become known.

Annual performance pay is paid to the members of the Management Board, which is a total of 1.0% of the consolidated net profit. Disbursement of the performance pay of the second half of the year and the annual performance pay is coordinated with the Supervisory Board and paid out after the audit of the Group’s annual accounts.

According to the remuneration principles approved in 2025, the performance pay payable for the results of the 2025 financial year is set at 0.6% of the consolidated operating profit (EBIT) of the Harju Elekter Group up to operating profit

of 9 million euros and 1.0% of the portion of operating profit exceeding 9 million euros. The performance pay is paid out in one instalment after the audited annual results have become known, coordinated with the Supervisory Board.

The amount of performance pay is proportional to the share of basic salary in the total basic salary. The total amount of remuneration is competitive in Estonia and performance-related, which motivates managers to contribute towards long-term improvements in performance and the achievement of set targets.

Additional benefits cover company car and telephone costs for board members as well as payments for personal accident insurance.

No conditions for repayment of the variable performance pay have been established, and as at 31 December 2025 no claims for repayment have been enforced. In 2025, no exceptions were made to the remuneration principles for determining the remuneration of the members of the Management Board.

Gross remuneration paid to Members of the Management Board in 2025:

EUR '000	Basic remuneration	Performance pay	Total gross remuneration
Tiit Atso - Chairman	166 (89%)	20 (11%)	186 (100%)
Aron Kuhi-Thalfeldt	118 (90%)	13 (10%)	131 (100%)
Priit Treial	133 (90%)	14 (10%)	147 (100%)
Tiit Luman	133 (90%)	15 (10%)	148 (100%)
Erko Lepa	133 (90%)	15 (10%)	148 (100%)

Stock options granted to Member of the Management Board as at 31 December 2025:

		Tiit Atso Chairman	Aron Kuhi-Thalfeldt Member of the Management Board	Priit Treial Member of the Management Board	Tiit Luman Member of the Management Board	Erko Lepa Member of the Management Board
Stock options granted in 2022	Quantity	10,000	10,000	14,000	10,000	10,000
	Exercise price in euros	4.5	4.5	4.5	4.5	4.5
	Time of subscription	05.01.2026*	05.01.2026*	05.01.2026*	05.01.2026*	05.01.2026*

*At its meeting on 16 December 2025, the Supervisory Board of AS Harju Elekter Group decided, for administrative reasons, to extend the subscription period. The initial subscription period was set to expire on 21 December 2025.

For the share subscription rights to be valid, a member of the Management Board must have a valid professional relationship with AS Harju Elekter Group or a company belonging to the Group up to and including the share subscription date, except in the case of retirement.

No changes were made in option transactions with members of the Management Board in 2025.

The basic terms of the option programme were approved by the general meeting of AS Harju Elekter Group in 2021. The detailed terms of the options and their issuance are decided by the Supervisory Board on the basis of the resolution of the general meeting of shareholders.

Changes in the performance and remuneration of AS Harju Elekter Group in 2021-2025

	2025	2024	2023	2022	2021
Change in remuneration of Members of the Management Board %	44	33	28	28	2
Incl Tiit Atso	-13	33	-8	-3	30
Incl Aron Kuhi-Thalfeldt	-13	33	-5	-1	27
Incl Priit Treial	-9	34	695	-	-
Incl Tiit Luman	-	-	-	-	-
Incl Erko Lepa	-	-	-	-	-
Change in average remuneration of employees (%)	6.5	0.9	7.6	6.7	6
Change in revenue (%)	-0.4	-16.4	19.2	14.8	4.2
Change in EBIT (%)	86.9	-20.7	277.7	-242.0	-51.1



Consolidated Financial Statements 2025

- › Consolidated Statement of Financial Position
- › Consolidated Statement of Profit or Loss
- › Consolidated Statement of Comprehensive Income
- › Consolidated Statement of Cash Flows
- › Consolidated Statement of Changes in Equity
- › Notes to Consolidated Financial Statements

Consolidated Statement of Financial Position

(EUR'000)	Note	31.12.2025	31.12.2024
Current assets			
Cash and cash equivalents	2	1,545	3,773
Trade and other receivables	3	46,654	29,606
Prepayments	4	1,209	2,096
Inventories	5	19,896	19,845
Total current assets		69,304	55,320
Non-current assets			
Deferred tax assets		142	687
Non-current financial investments	6	27,225	27,717
Non-current receivables	3	9	0
Investment properties	7	28,228	29,432
Property, plant and equipment	8	33,273	32,420
Intangible assets	10	9,880	8,121
Total non-current assets		98,757	98,377
TOTAL ASSETS	15	168,061	153,697

(EUR'000)	Note	31.12.2025	31.12.2024
Liabilities			
Borrowings	11	15,452	9,885
Prepayments from customers	12	15,326	11,600
Trade and other payables	12	19,670	17,426
Tax liabilities	13	3,324	3,260
Current provisions		336	270
Total current liabilities		54,108	42,441
Borrowings	11	15,072	20,184
Deferred tax liability		20	39
Total non-current liabilities		15,092	20,223
Total liabilities	15	69,200	62,664
Equity			
Share capital	14	11,672	11,655
Share premium	14	3,410	3,306
Reserves	14	22,397	23,135
Retained earnings		61,382	52,937
Total equity		98,861	91,033
TOTAL LIABILITIES AND EQUITY		168,061	153,697

Consolidated Statement of Profit or Loss

(EUR'000)	Note	2025	2024
Revenue	15, 16	174,047	174,712
Cost of sales	16	-148,144	-153,813
Gross profit		25,903	20,899
Distribution costs	16	-5,602	-4,710
Administrative expenses	16	-9,426	-9,213
Other income	16	1,412	281
Other expenses	16	-308	-849
Operating profit (loss)	15	11,979	6,408
Finance income	16	1,659	116
Finance expenses	16	-2,191	-2,436
Profit (loss) before tax		11,447	4,088
Income tax		-663	-913
Profit (loss) for the period		10,784	3,175
Earnings per share			
Basic earnings per share (EUR)	18	0.58	0.17
Diluted earnings per share (EUR)	18	0.58	0.17

Consolidated Statement of Comprehensive Income

(EUR'000)	Note	2025	2024
Profit (loss) for the period		10,784	3,175
Other comprehensive income (loss)			
<i>Items that subsequently may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations	14	-707	108
<i>Items that subsequently may not be reclassified to profit or loss:</i>			
Gain on available-for-sale financial assets reclassified to profit or loss	6	385	185
Net proceeds from revaluation of financial assets	14	0	-71
Total other comprehensive income (loss) for the period		-322	222
Total comprehensive income (loss) for the period		10,462	3,397

Consolidated Statement of Cash Flows

(EUR'000)	Note	2025	2024
Cash flows from operating activities			
Profit (loss) for the period		10,784	3,175
Adjustments			
Depreciation, amortization and impairment losses	7, 8, 10, 15, 16	4,442	3,950
Profit on sale of non-current assets		-2	-28
Loss from the disposal of property, plant and equipment		82	69
Share-based payments	16, 20	20	43
Finance income	16	-1,659	-116
Finance expenses	16	2,191	2,436
Income tax		663	913
Changes			
Changes in trade receivables		-16,122	8,189
Change in inventories	5	-51	16,989
Changes in trade payables		6,250	-13,100
Corporate income tax paid	19	-767	-259
Interest paid		-1,251	-2,155
Total cash flow from operating activities		4,580	20,106
Cash flows from investing activities			
Payments for investment properties	19	-403	-1,994
Payments for property, plant and equipment	19	-2,262	-903
Payments for intangible assets	19	-1,979	-1,080
Payments for a financial investment		-17	0
Proceeds from sale of property, plant and equipment		3	81
Proceeds from sale of financial assets	6	889	1,641
Received interests		20	18
Dividends received		0	78
Total cash flow from investing activities		-3,749	-2,159

(EUR'000)	Note	2025	2024
Cash flows from financing activities			
Change in overdraft balance and current borrowings	11	4,003	-9,125
Proceeds from non-current borrowings	11	248	109
Repayments of non-current borrowings	11	-3,532	-3,945
Change in factoring liability	11	-398	468
Repayments of lease liabilities	11	-113	-729
Proceeds from the share issue	14	122	0
Dividends paid	14	-2,775	-2,405
Income tax paid on dividends		0	-12
Total cash flow from financing activities		-2,445	-15,639
Total net cash flow		-1,614	2,308
Cash balance at the beginning of the period	2	3,773	1,381
Change in cash balances		-1,614	2,308
Effects of exchange rate differences		-614	84
Cash balance at the end of the period	2	1,545	3,773

Consolidated Statement of Changes in Equity

(EUR'000)	Share capital	Share premium	Reserves	Retained earnings	Total attributable to owners of the parent company
Balance at 31 December 2023	11,655	3,306	23,055	51,982	89,998
Comprehensive income 2024					
Profit for the period	0	0	0	3,175	3,175
Other comprehensive income	0	0	37	185	222
Comprehensive income for the period	0	0	37	3,360	3,397
Transactions with owners recognised directly in equity					
Share-based payments (Note 20)	0	0	43	0	43
Dividends (Note 14)	0	0	0	-2,405	-2,405
Total transactions with owners	0	0	43	-2,405	-2,362
Balance at 31 December 2024	11,655	3,306	23,135	52,937	91,033
Comprehensive income 2025					
Profit for the period	0	0	0	10,784	10,784
Other comprehensive income (loss)	0	0	-707	385	-322
Reclassification from reserves	0	0	181	-181	0
Comprehensive income for the period	0	0	-526	10,988	10,462
Transactions with owners recognised directly in equity					
Share capital contribution (Note 14)	17	104	0	0	121
Share-based payments (Note 20)	0	0	-212	232	20
Dividends (Note 14)	0	0	0	-2,775	-2,775
Total transactions with owners	17	104	-212	-2,543	-2,634
Balance at 31 December 2025	11,672	3,410	22,397	61,382	98,861

Information about share capital and reserves is presented in [Note 14](#).

The notes on pages 108 to 143 are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

1. General information	108	14. Share capital and reserves	119
2. Cash and cash equivalents	109	15. Segment information	121
3. Trade and other receivables	109	16. Further information on statement of profit or loss line items	123
4. Prepayments	109	17. Contingent liabilities	125
5. Inventories	109	18. Basic and diluted earnings per share	125
6. Financial investments	110	19. Information about line items in the statement of cash flows	126
7. Investment properties	111	20. Related parties	126
8. Property, plant and equipment	112	21. Subsidiaries	128
9. Leases	113	22. Primary financial statements of the parent company	129
10. Intangible assets	114	23. Basis of preparation and significant accounting policies	133
11. Borrowings	116	24. Accounting estimates and decisions	138
12. Prepayments from customers and trade and other payables	118	25. Financial risk management	138
13. Taxes	118	26. Events after the reporting date	143

1. General information

AS Harju Elekter Group is listed on the Tallinn Stock Exchange since 30 September 1997. The annual financial statements prepared as at 31 December 2025 cover AS Harju Elekter Group (hereinafter the “Parent company”) and its subsidiaries (together referred to as the “Group” or Harju Elekter, [Note 21](#)).

Mandatory elements of the basic taxonomy of the ESEF

Name of reporting entity or other means of identification	AS Harju Elekter Group
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	The name has not changed
Domicile of entity	Estonia
Legal form of entity	Public limited company
Country of incorporation	Estonia
Address of entity's registered office	A. H. Tammsaare tee 56, 11316 Tallinn, Estonia
Principal place of business	Estonia, Finland, Sweden, Lithuania
Description of nature of entity's operations and principal activities	<p>Production - designing, selling, manufacturing, and after-sales servicing of power distribution, switching and converting devices and automation, process control and industrial control equipment.</p> <p>Industrial real estate – developing of industrial real estate, project management, renting and the accompanying services to rental partners and to the Harju Elekter Group companies.</p> <p>Other operations - financial investment management, retail and project-based sale of electrical products, and electrical installation works in shipbuilding.</p>
Name of parent entity	AS Harju Elekter Group
Name of ultimate parent of group	AS Harju Elekter Group

On 23 March 2026, the Management Board signed the consolidated financial statements for the financial year ended at 31 December 2025. According to the Estonian Commercial Code, the annual report including the consolidated financial statements, prepared by Management Board and approved by Supervisory Board, shall be approved by the annual general meeting of shareholders. Shareholders have the right not to approve the annual report prepared and presented by the Management Board approved by the Supervisory Board and require preparation of a new annual report.

A description of the bases for preparing the accounts, significant accounting principles, accounting estimates and decisions, and the management of financial risks have been provided in the notes in accordance with – [Note 23](#), [Note 24](#) and [Note 25](#).

2. Cash and cash equivalents

EUR '000	Note	31.12.2025	31.12.2024
Current accounts in banks		1,545	3,773
Total cash and cash equivalents	25.2	1,545	3,773

No restrictions have been placed on the use of bank accounts.

3. Trade and other receivables

EUR '000	Note	31.12.2025	31.12.2024
Trade receivables			
Trade receivable		23,230	15,281
Loss allowance for trade receivables	25.2	-140	-215
Total trade receivables		23,090	15,066
Contract assets			
Contract assets		23,533	14,349
Loss allowance	25.2	-5	-5
Total contract assets		23,528	14,344
Other receivables			
Other current and non-current receivables		15	42
Other accrued income		30	154
Total other receivables		45	196
Total trade and other receivables		46,663	29,606

The increase in trade receivables and contract assets at the end of the reporting period was mainly attributable to a significant increase in revenue in the fourth quarter compared to the same period of the previous year (+58.6%). Both the balance of issued sales invoices and contract assets increased.

Changes in allowances for receivables

EUR '000	Trade receivables		Contractual assets	
	2025	2024	2025	2024
Opening balance at 1 January	-215	-232	-5	-20
Doubtful receivables written off	0	-12	0	0
Collection of doubtful invoices and receivables	63	25	0	15
Doubtful invoices deemed irrecoverable	12	4	0	0
Closing balance at 31 December	-140	-215	-5	-5

4. Prepayments

EUR '000	Note	31.12.2025	31.12.2024
Prepaid taxes	13	290	344
Prepaid expenses		508	457
Prepaid inventories		411	1,295
Total prepayments		1,209	2,096

5. Inventories

EUR '000	Note	31.12.2025	31.12.2024
Raw and other materials		14,892	15,218
Work in progress	16	3,561	2,906
Finished goods	16	1,443	1,721
Total		19,896	19,845
Impairment losses of inventories during the reporting period		375	360

6. Financial investments

EUR '000	31.12.2025	31.12.2024
Listed securities (at fair value through other comprehensive income)	22	21
Other equity investments (at fair value through other comprehensive income)	27,200	27,687
Other financial assets through profit or loss	3	9
Total	27,225	27,717

Movements from 1 January to 31 December	Note	2025	2024
1. Financial assets at fair value through other comprehensive income			
Carrying amount at the beginning of the period		27,708	29,235
Additions		17	0
Sale of financial assets		-503	-1,456
Change in fair value through other comprehensive income	14	0	-71
Carrying amount at the end of the period		27,222	27,708
2. Financial assets at fair value through profit or loss			
Carrying amount at the beginning of the period		9	9
Change in fair value through profit or loss		-6	0
Carrying amount at the end of the period		3	9
Total carrying amount at the end of the period		27,225	27,717

In April, the Finnish subsidiary of AS Harju Elekter Group, Harju Elekter Oy, exited a financial investment by disposing of its 9.15% ownership interest in IGL-Technologies Oy, a Finnish developer of parking and e-mobility solutions and an operator of parking and charging systems. This transaction is consistent with the Group's strategy to focus on its core business and to allocate resources increasingly to product development and innovation, in particular to the development of next-generation charging solutions that meet the growing demand for sustainable and smart energy solutions. The disposal of the investment in IGL-Technologies Oy generated total proceeds of 0.9 million euros during the reporting period, of which the realised gain amounted to 0.4 million euros. The gain was recognised through other comprehensive income.

As at 31 December 2025, other equity investments include an investment in the shares of OÜ Skeleton Technologies Group, with a carrying amount of 27.2 million euros. The Group's registered ownership interest in Skeleton Technologies Group OÜ was 5.45% at the reporting date. Skeleton Technologies Group OÜ is progressively increasing its production capacity, and the estimation of future cash flows expected to be generated by the investment involves significant uncertainty for the purposes of fair value measurement. In the absence of an active market, the determination of fair value requires the use of assumptions and significant management judgement. In assessing the fair value of the investment, the Group's management has considered the issue price of new shares used in latest financing rounds, publicly available financial information of OÜ Skeleton Technologies Group, the risks associated with the investment and the marketability of the instrument. No additional income or expenses arose in connection with holding this investment during the reporting period.

See [Note 24 "Accounting estimates and decisions"](#) and [Note 25 "Financial risk management"](#).

7. Investment properties

(EUR '000)	Land	Buildings	Construction in progress	Total
As at 31 December 2023				
Cost	4,854	33,368	1,202	39,424
Accumulated depreciation	0	-10,568	0	-10,568
Carrying amount	4,854	22,800	1,202	28,856
Additions (Note 15, 19)	0	0	1,822	1,822
Depreciation charge (Note 15, 16)	0	-1,246	0	-1,246
Reclassification	0	2,950	-2,950	0
Total movements in 2024	0	1,704	-1,128	576
As at 31 December 2024				
Cost	4,854	36,317	74	41,245
Accumulated depreciation	0	-11,813	0	-11,813
Carrying amount	4,854	24,504	74	29,432
Additions (Note 15, 19)	0	0	339	339
Depreciation charge (Note 15, 16)	0	-1,543	0	-1,543
Reclassification	0	280	-280	0
Total movements in 2025	0	-1,263	59	-1,204
As at 31 December 2025				
Cost	4,854	36,525	133	41,512
Accumulated depreciation	0	-13,284	0	-13,284
Carrying amount	4,854	23,241	133	28,228

The Group's investment property consists of production and office buildings located in Estonia, in the town of Keila, in Saue municipality and in Haapsalu. Renovation and reconstruction works continued in the Keila industrial park in order to support the operations of long-term tenants, including Prysman Group Baltics.

According to the management's estimate, the fair value of investment property recognized at cost value at 31 December 2025 was 46.4 (31.12.2024: 43.0) million euros. The management's estimate is based on the discounted cash flow method, taking into account current lease agreements, contractual growth rates, the average vacancy rate on the market, and the projected change in the consumer price index. Future cash flows were discounted using from 9.5% to 11.0% (31.12.2024: 9.5% to 11.0%) as discount rate and exit yield in the range from 7.7% to 10% (31.12.2024: 8.5%-10%) was applied. For investment properties, the condition of the leased property, the term of contracts and the possibility of renting out the property were evaluated. Investment property at fair value is classified at level 3 (Note 25), according to the fair value measurement method.

In 2025, the direct maintenance and repair costs of the investment properties amounted to 0.5 (2024: 0.6) million euros. Information on lease income is provided in Note 9. As at 31 December 2025, the Group had liabilities for the acquisition of real estate investments in the amount of 0.02 (2024: 0.09) million euros.

8. Property, plant and equipment

(EUR '000)	NON-CURRENT ASSETS					RIGHT-OF-USE ASSETS		Total
	Land	Buildings and structures	Machinery and equipment	Other fixtures, fittings and tools	Construction in progress and prepayments	Office and production premises	Machinery and equipment	
As at 31 December 2023								
Acquisition cost	2,251	33,055	9,364	3,166	175	539	4,644	53,194
Accumulated depreciation	0	-9,095	-6,632	-1,862	0	-366	-1,172	-19,127
Carrying amount	2,251	23,960	2,732	1,304	175	173	3,472	34,067
Additions (Note 15, 19)	0	30	370	217	263	0	14	894
Addition of right-of-use assets and change of the contract (Note 15)	0	0	0	0	0	346	0	346
Disposals at book value	0	-39	-70	-63	0	0	0	-172
Depreciation charge (Note 15, 16)	0	-1,141	-457	-400	0	-86	-328	-2,412
Reclassification	83	241	1,368	137	-138	0	-1,678	13
Change in exchange rates	-27	-244	-24	-21	0	1	-1	-316
Total movements in 2024	56	-1,153	1,187	-130	125	261	-1,993	-1,647
As at 31 December 2024								
Acquisition cost	2,307	33,056	11,795	3,193	300	561	1,789	53,001
Accumulated depreciation	0	-10,249	-7,876	-2,019	0	-127	-310	-20,581
Carrying amount	2,307	22,807	3,919	1,174	300	434	1,479	32,420
Additions (Note 15, 19)	0	56	990	523	806	0	340	2,715
Addition of right-of-use assets and change of the contract (Note 15)	0	0	0	0	0	225	0	225
Disposals at book value	0	-79	-26	-22	0	0	0	-127
Depreciation charge (Note 15, 16)	0	-1,208	-598	-469	0	-177	-141	-2,593
Reclassification	0	105	62	194	-355	0	-6	0
Change in exchange rates	50	525	35	23	0	0	0	633
Total movements in 2025	50	-601	463	249	451	48	193	853
As at 31 December 2025								
Acquisition cost	2,357	33,677	12,192	3,715	751	742	2,130	55,564
Accumulated depreciation	0	-11,471	-7,810	-2,292	0	-260	-458	-22,291
Carrying amount	2,357	22,206	4,382	1,423	751	482	1,672	33,273

The leased assets are shown in a separate column titled "Right-of-use assets". The depreciation expense associated with lease agreements is reflected under business expenses (Note 9).

In the reporting year, investments were initiated in the construction of a modern 4,000 m² production building in Keila. The extension is scheduled for completion in October 2026 and will increase the Group's total production area to 28,000 m², creating additional high value-added engineering and manufacturing jobs. During the reporting period, investments were also made in the modernisation of other production units, including the acquisition of new production technology equipment. In addition, investments were made in IT equipment, and additional solar power plants were installed to improve energy efficiency. The acquisition cost of non-current assets written off and disposed of during the reporting year amounted to a total of 0.05 (2024: 0.3) million euros, including 0.03 (2024: 0.2) million euros related to machinery and equipment and 0.02 (2024: 0.3) million euros related to other tangible assets. As at 31 December 2025, the acquisition cost of fully depreciated non-current assets still in use amounted to 1.9 (31.12.2024: 2.5) million euros.

Where items of property, plant and equipment are associated with a cash-generating unit that also includes goodwill, such items of property, plant and equipment have been tested for impairment. For further information on impairment testing, see [Note 10](#).

9. Leases

The Group as the lessor

(EUR'000)	Note	2025	2024
Lease income			
- on investment properties		4,690	4,609
- other		13	2
Total lease income	16	4,703	4,611

In the statement of profit or loss, lease income is classified as revenue; the expenses and depreciation related to assets leased out are classified as cost of sales. Information on direct maintenance and repair costs of investments in real estate is given in [Note 7](#).

The Group's investment property lease agreements are classified as either fixed-term or indefinite-term agreements. Fixed-term lease agreements are generally concluded for periods ranging from one to seven years and may include automatic annual extension clauses, unless either party notifies the other in advance of its intention not to extend the agreement. The notice period for non-extension typically ranges from six to twelve months. Amendments to lease terms are generally agreed either prior to the expiry of the current lease term or during the lease term before the commencement of a new lease year. The notice period for termination of lease agreements depends on the specific contractual terms and ranges from one to eighteen months.

Future lease payments under existing lease agreements by maturity:

(EUR'000)	Rental income from lease agreements		Rental income from non-cancellable lease agreements	
	2025	2024	2025	2024
Lease income				
< 1 year	4,814	4,651	2,644	4,281
1-5 years	13,092	14,269	1,782	2,262
> 5 years	0	3,048	0	0
Total lease income	17,906	21,968	4,426	6,543

The Group as the lessee

Lease liability

(EUR'000)	Note	Total
Carrying amount at 31.12.2023		1,623
2024		
New lease liabilities	11	375
Lease payments	11	-729
Impact of exchange rate changes		2
Carrying amount at 31.12.2024		1,271

(EUR'000)	Note	Total
Carrying amount at 31.12.2024		1,271
2025		
New lease liabilities	11	225
Lease payments	11	-113
Impact of exchange rate changes		29
Carrying amount at 31.12.2025	11	1,412

Lease contracts are with specific validity, that can be prolonged between 1 to 3 years, if not notified regarding cancellation before up to 9 months of the end of the contract. Changes in lease payments are linked to the consumer price index.

Expenses related to lease contracts

(EUR'000)	Note	2025	2024
Interest expense (included within finance expenses)		57	90
Depreciation charge (included within operating expenses)	8	318	414
Expense related to short-term and low-value lease contracts (recognised in operating expenses)		852	733
Total		1,227	1,237

In 2025, the cash outflow related to lease of cars, machines and equipment and premises totalled 1.1 (2024: 1.5) million euros.

10. Intangible assets

Movements in intangible assets

EUR'000	Goodwill	Development costs	Licences	Construction in progress and prepayments	Total
As at 31 December 2023					
Cost	5,691	1,154	2,779	0	9,624
Accumulated amortization	0	-439	-1,831	0	-2,270
Carrying amount	5,691	715	948	0	7,354
Additions (Note 15, 19)	0	57	71	942	1,070
Amortization charge (Note 15, 16)	0	-97	-195	0	-292
Refunded prepayment	0	46	-4	-42	0
Currency translation differences	0	0	-10	0	-10
Reclassification	0	0	-1	0	-1
Total movements in 2024	0	6	-139	900	767
As at 31 December 2024					
Cost	5,691	1,257	2,792	900	10,640
Accumulated amortization	0	-536	-1,983	0	-2,519
Carrying amount	5,691	721	809	900	8,121
Additions (Note 15, 19)	0	40	80	1,945	2,065
Amortization charge (Note 15, 16)	0	-119	-187	0	-306
Reclassification	0	300	547	-847	0
Total movements in 2025	0	221	440	1,098	1,759
As at 31 December 2025					
Cost	5,691	1,598	3,214	1,998	12,501
Accumulated amortization	0	-656	-1,965	0	-2,621
Carrying amount	5,691	942	1,249	1,998	9,880

The Group's intangible assets include goodwill, which is an asset with an indefinite useful life, and development expenditures, which are capitalised when they relate to the development and testing of specific products. Intangible assets also include product manufacturing licences and computer software.

During the reporting year, investments were made in product development as well as in the development of production and process management systems in order to improve the Group's efficiency and product quality. Development activities focused on the energy sector were directed

towards the creation of new and improved solutions, including the development of the next-generation electric vehicle charger Elektra Sense and new versions of several compact substations and low-voltage switchgear. In addition, the enhancement and certification of technologies continued in order to ensure compliance of products with the growing requirements of the market and to support expansion into export markets.

The amortisation expense of intangible assets is recognised in the income statement under cost of goods sold as well as distribution and administrative expenses.

Testing the recoverable amount of goodwill

Positive goodwill arose through the acquisition of holdings in subsidiaries. Goodwill in the amount of 5.7 million euros arose as follows:

- In 2014 when a 100% holding in production company Finnkumu Oy was acquired, goodwill of 4.9 million euros was created. The company was merged with Harju Elekter Oy on 31 December 2020.
- In 2017 when a 100% holding in Telesilta Oy, a Finnish company specialising in electrical works for the shipbuilding industry, was acquired, goodwill of 0.1 million euros was created.
- In 2018 when a 100% holding in Swedish companies SEBAB AB, technical solutions provider, and Grytek AB that manufactures prefabricated technical houses, were acquired. The goodwill arising from the acquisition of the Swedish companies was 0.7 million euros. In 2020, Grytek AB was merged with SEBAB AB, whose new business name is Harju Elekter AB.

Goodwill is related to the subsidiary's ability to generate distinct cash flows; therefore the subsidiary is the smallest cash-generating unit for accounting of goodwill and monitoring cash flows. The value in use of the subsidiary has been determined by the discounted cash flow method and its amount was compared to the carrying amount of the value of the cash-generating unit. Impairment tests of goodwill were performed as at 31 December 2025.

General assumptions for determining value in use

The key assumptions and estimates used by the management for the purposes of impairment testing are described below. The cash-generating unit also includes goodwill attributable to it. Management estimates are based on historical data but take into account the market situation and other relevant assumptions about the future periods that were available at the time of preparation of the financial statements. The following inputs were used in estimating goodwill arising on the acquisition of subsidiaries:

- The forecast period covers 2026–2029 (2024: 2025–2030), followed by a terminal year.
- Discount rates in the range of 6–7% (2024: 6–8%) were used in calculating discounted cash flows. The respective rates are based on the expected return on equity specific to the Group's business sector and countries of operation (Damodaran Online database) and the applicable cost of debt capital.
- A terminal growth rate of 2% (2024: 2%) was used in the recoverable amount test.
- The average projected annual growth in revenue ranges from 4 to 25% (2024: 5–10%).
- The average projected annual growth in operating profit (EBIT) ranges from 4% to 2,400% (2024: 0–200%).

Potential impact of changes in estimates

The value of use of the cash-generating unit is compared to the amount of investment and goodwill. Given that the value in use is an estimate, the change of selected inputs can have a positive or negative impact on the result of the assessment. The Group's management has conducted a sensitivity analysis of significant inputs and assumptions used and it did not identify any inputs or assumptions that would cause goodwill impairment if changes in a reasonable amount had been made to them.

11. Borrowings

Balances and changes in borrowings

(EUR'000)	Note	31.12.2025	31.12.2024
Current borrowings			
Overdrafts		9,087	5,084
Repayment of non-current bank loans in the next period		4,888	3,029
Factoring		954	1,352
Current lease liabilities	9	484	374
Interest payable		39	46
Total current borrowings		15,452	9,885
Non-current borrowings			
Non-current bank loans		14,144	19,287
Non-current lease liabilities	9	928	897
Total non-current borrowings		15,072	20,184
Total borrowings		30,524	30,069

Changes in borrowings	Note	2025	2024
Opening balance		30,069	42,868
Change in overdraft balances		4,003	-9,125
Non-current loans		248	109
Repayments of non-current loans		-3,532	-3,945
Change in factoring liability		-398	468
New lease liabilities	9	225	375
Repayment of non-current lease liabilities	9	-113	-729
Change in interest payable	9	-7	-158
Impact of exchange rate changes		29	2
Closing balance		30,524	30,069

Factoring includes obligations arising from factoring agreements entered into by the Group's subsidiaries, with total credit limits amounting to 2.5 million euros and interest rates ranging from 3.03% to 3.94%. In the event that factoring receivables are not collected, the Group is obligated to repay the corresponding amounts to the factoring provider.

Additional information on interest rate risk is disclosed in [Note 25](#).

Loan terms, collateral and pledged assets

Country	Base currency	Loan balance (EUR '000)		Contractual loan amount (EUR '000)		Interest rate		Contract term	Collaterals	Value of collateral (EUR '000)
		31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024			
Sweden	SEK	0	0	918	873	4.07%	3.88%		-	-
Finland	EUR	0	0	1,000	1,000	3m euribor+1.15%	3m euribor+0.75%		A pledge on Finnish real estate, in favor of Nordea	435
Finland	EUR	40	0	2,500	2,500	3m euribor+0.65%	3m euribor+0.65%		-	-
Finland	EUR	2,333	2,416	2,500	2,500	3m euribor+1.5%	3m euribor+1.5%		-	-
Estonia	EUR	315	1,635	5,000	5,000	€STR+1.47%	€STR+1.6%		-	-
Estonia	EUR	2,284	1,033	4,000	4,000	3m euribor+1.6%	3m euribor+1.6%		Commercial pledge on parent company's movable property and mortgages on investment properties in favor of Swedbank	17,200*
Lithuania	EUR	1,756	0	3,500	3,500	€STR+1.7%	€STR+1.7%		-	-
Finland	EUR	438	0	1,000	1,000	3m euribor+1.2%	6m euribor+0.75%		-	-
Estonia	EUR	1,921	0	4,000	4,000	6m euribor+1.5%	4.3%		-	-
Current bank loans		9,087	5,084	24,418	24,373					
Lithuania	EUR	1,633	2,100	4,200	4,200	3m euribor+1.7%	12m euribor+1.7%	2029	A pledge on Lithuanian movable property and real estate, in favor of SEB	8,100**
Finland	EUR	589	1,000	867	2,000	12m euribor+1.65%	12m euribor+0.75%	2027	-	-
Estonia	EUR	2,461	3,361	6,051	6,051	6m euribor+1.35%	6m euribor+1.35%	2026	Commercial pledge on parent company's movable property and mortgages on investment properties in favor of Swedbank	17,200*
Finland	EUR	55	115	300	300	12m euribor+1.5%	12m euribor+1.5%	2026	A pledge on Finnish real estate, in favor of OP Bank	500
Finland	EUR	2,063	2,438	3,000	3,000	5.02%	5.73%	2027	A pledge on Finnish real estate, in favor of OP Bank	3,900
Estonia	EUR	8,556	9,103	10,000	10,000	6m euribor+1.5%	6m euribor+2.75%	2027	A mortgage on the parent company's land and building, in favor of Coop	18,500
Estonia	EUR	2,773	2,970	3,140	3,140	6m euribor+2.05%	6m euribor+2.05%	2028	Commercial pledge on parent company's movable property and mortgages on investment properties in favor of Swedbank	17,200*
Lithuania	EUR	860	1,154	2,800	2,800	3m euribor+1.85%	3m euribor+1.85%	2028	A pledge on Lithuanian movable property and real estate, in favor of SEB	8,100**
Lithuania	EUR	43	75	130	130	3m euribor+1.85%	6m euribor+1.49%	2028	A pledge on Lithuanian movable property and real estate, in favor of SEB	8,100**
Non-current bank loans		19,032	22,316	14,437	15,570					
<i>Incl short-term borrowings</i>		<i>4,888</i>	<i>3,029</i>							
<i>Incl long-term borrowings</i>		<i>14,144</i>	<i>19,287</i>							

Pledged assets at carrying amounts are allocated as follows: movable assets amounted to 0.8 (31.12.2024: 6.9) million euros, real estate property to 25.3 (31.12.2024: 24.6) million euros, and land and buildings to 9.8 (31.12.2024: 12.8) million euros. As of 31 December 2025, the Group had the right to use an overdraft facility of up to 24.4 (31.12.24: 24.4) million euros, of which 9.1 (31.12.24: 5.1) million had been used.

* Commercial pledges related to three loans on the parent company's movable property, as well as mortgages on real estate investments, totalling 17.2 million euros.

** A total pledged amount of 8.1 million euros as collateral for three investment loans.

12. Prepayments from customers and trade and other payables

(EUR '000)	Note	31.12.2025	31.12.2024
Advances received for goods and services		13,326	9,924
Due to customers for contract work		2,000	1,676
Prepayments from customers		15,326	11,600
Payable for goods and services		13,695	12,777
Payable for property, plant and equipment	19	455	2
Payable for investment property	19	21	85
Payable for intangible asset	19	116	30
Total trade payables	25	14,287	12,894
Payables to employees		5,091	4,408
Other liabilities	25	292	124
Total other current liabilities		5,383	4,532
Total trade and other payables		34,996	29,026

Advances received from customers arising from customer contracts will realise as revenue in 2026. Prior year balances was recognized as revenue during the reporting period.

13. Taxes

(EUR '000)	Note	31.12.2025	31.12.2024
Value added tax		76	219
Corporate income tax	19	155	107
Social tax		0	5
Other taxes		59	13
Total prepayment	4	290	344
Value added tax		1,652	1,240
Corporate income tax	19	47	629
Personal income tax		603	542
Social security tax		918	783
Other taxes		104	66
Total taxes payable		3,324	3,260

14. Share capital and reserves

Share capital and share premium

	Ühik	31.12.2025	31.12.2024
Share capital	EUR '000	11,672	11,655
Number of shares (fully paid)	Pcs '000	18,526	18,498
Share premium	EUR '000	3,410	3,306

The Supervisory Board of AS Harju Elekter Group increased the Company's share capital by 17,010 euros through the issue of new ordinary shares in connection with the exercise of the employee share option program. A total of 27,000 ordinary shares were subscribed for a consideration of 121,500 euros. The issue price per share was 4.50 euros, of which 0.63 euros represents the accounting value of the share and 3.87 euros the share premium. Following the increase, the share capital of AS Harju Elekter Group amounts to 11,672 thousand euros and is divided into 18.5 million ordinary shares without nominal value.

There are no restrictions or agreements relating to special voting rights attached to the shares. The maximum share capital permitted under the Articles of Association is 20.0 million euros and the minimum share capital is 5.0 million euros.

Dividends per share

The Annual General Meeting of Shareholders of AS Harju Elekter Group was held on 24 April 2025. The meeting approved amendments to the Articles of Association, the remuneration principles of the members of the Management Board, the annual report for the 2024 financial year and the proposal for the distribution of profit. It was also resolved to pay dividends to shareholders for the 2024 financial year in the amount of 0.15 euros per share, totalling 2.8 million euros. The dividends were paid to shareholders' bank accounts on 28 May 2025. In the comparable period, dividends for the 2023 financial year amounted to 0.13 euros per share, totalling 2.4 million euros.

Interests of members of the Supervisory Board and Management Board in AS Harju Elekter Group

		Number of shares	Direct shareholding	Indirect shareholding
Tombak, Triinu	Chairman of the Supervisory Board	30,000	0.16%	0.00%
Kirsme, Aare	Member of the Supervisory Board	235,750	1.27%	1.01%
Toome, Andres	Member of the Supervisory Board	50,000	0.27%	0.78%
Luuk, Märt	Member of the Supervisory Board	45,503	0.25%	1.21%
Hamburg, Arvi	Member of the Supervisory Board	25,500	0.14%	0.00%
Vahimets, Risto	Member of the Supervisory Board	0	0.00%	0.02%
Atso, Tiit	Chairman of the Management Board	30,548	0.16%	0.00%
Kuhi-Thalfeldt, Aron	Member of the Management Board	25,529	0.14%	0.00%
Treial, Priit	Member of the Management Board	400	0.002%	0.00%
Luman, Tiit	Member of the Management Board	0	0.00%	0.00%
Lepa, Erko	Member of the Management Board	2,173	0.01%	0.00%
Total		445,403	2.40%	3.02%

The number of shares held by shareholders and the corresponding ownership percentages were fixed as at the close of business on 31 December 2025. In accordance with the requirements of the Nasdaq Tallinn Stock Exchange rules, the issuer is required to disclose in its annual report information on the number of the issuer's shares held by the members of the Management Board and the Supervisory Board (direct holdings) and by their immediate family members (indirect holdings) as at the end of the financial year. Indirect holdings also include voting rights represented by shares held by entities controlled by a member of the Group's Supervisory Board or Management Board.

Shareholders holding more than 5% of the shares

%	31.12.2025	31.12.2024
AS Harju KEK	30.06	30.10
ING Luxembourg S.A.	10.01	10.02
Endel Palla	7.45	7.45
Shareholders holding less than 5% of the shares	52.48	52.43
Total	100.00	100.00

Reserves

(EUR'000)	Note	Mandatory reserve	Share option	Revaluation reserve	Currency translation differences	Total reserves
Balance at 31 December 2023		1,242	240	22,083	-510	23,055
Loss on revaluation of financial assets (-)	6	0	0	-71	0	-71
Share-based payments	16	0	43	0	0	43
Currency translation differences		0	0	0	108	108
Balance at 31 December 2024		1,242	283	22,012	-402	23,135
Share-based payments	16	0	20	0	0	20
Exercise of share options		0	-232	0	0	-232
Reclassification to retained earnings		0	0	181	0	181
Currency translation differences		0	0	0	-707	-707
Balance at 31 December 2025		1,242	71	22,193	-1,109	22,397

Revaluation reserve

The revaluation reserve consists of unrealized gains and losses arising from the revaluation of financial assets to fair value. The Group's revaluation reserve includes the revaluation amounts of the investment in Skeleton Technologies Group OÜ and securities of listed companies.

Currency translation reserve

The currency translation reserve consists of exchange differences arising on the translation of the financial statements of a foreign subsidiary into the presentation currency of the Group (Note 23.6). The foreign exchange loss arising from the translation of balances related to the financial results of the Group's Swedish subsidiaries amounted to -0.7 (2024: gain 0.1) million euros.

15. Segment information

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. This business line includes the parent company, Harju Elekter Kiinteistöt Oy and Harju Elekter Services AB.

Other activities – project management of installation works, electrical installation works in shipbuilding, and management services. Other activities are of minor 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.

The Group assesses the results of operating segments on the basis of segment revenue and operating profit. According to the management of the Parent company, inter-segment transactions take place under normal market conditions and do not differ significantly from the terms of the transactions with third parties. Unallocated assets are the Parent company's cash, other receivables, prepayments, and other financial investments while unallocated liabilities are its borrowings, taxes payable and accrued expenses.

(EUR'000)	Note	Production		Real estate		Other activities		Elimination		Consolidated	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue from external customers	16	162,946	164,305	5,438	5,364	5,663	5,043	0	0	174,047	174,712
Revenue from other segments		418	509	2,430	2,428	3,777	3,176	-6,625	-6,113	0	0
Total segment revenue		163,364	164,814	7,868	7,792	9,440	8,219	-6,625	-6,113	174,047	174,712
Cost of sales										148,144	153,813
Distribution costs										5,602	4,710
Administrative expenses										9,426	9,213
Operating profit		8,428	2,658	3,376	4,052	195	-264	-20	-38	11,979	6,408
Assets of the segment		97,056	84,701	31,149	36,480	52,323	44,189	-39,788	-38,974	140,740	126,396
Unallocated assets										27,321	27,301
<i>incl. financial investments</i>										27,222	27,221
<i>incl. other receivables and prepayments</i>										99	80
Total assets										168,061	153,697
Liabilities of the segment		73,644	66,760	748	429	5,096	3,889	-39,788	-38,974	39,700	32,104
Unallocated liabilities										29,500	30,560
<i>incl. borrowings</i>										28,493	29,939
<i>incl. accrued expenses</i>										778	369
<i>incl. other</i>										229	252
Total liabilities										69,200	62,664
Investments to non-current assets	7, 8, 10	2,495	1,035	463	1,860	2,161	891	0	0	5,119	3,786
Right-of-use assets	8	0	375	225	0	0	0	0	0	225	375
Depreciation and amortization	7, 8, 10	1,745	1,636	2,094	1,770	617	557	-14	-13	4,442	3,950

During the reporting period, revenue from two customers accounted for more than 10% of the Group's total consolidated revenue, amounting to a total of 45 million euros. The related revenue was recognised in the production segment. Revenue from the ten largest customers in total accounted for 51% of the Group's consolidated revenue.

16. Further information on statement of profit or loss line items

Revenue by business activities

(EUR'000)	Note	At a point in time		Over time		Total	
		2025	2024	2025	2024	2025	2024
Revenue from customer contracts		87,775	84,157	81,569	85,944	169,344	170,101
<i>incl Electrical equipment</i>		87,775	84,157	71,975	77,089	159,750	161,246
<i>incl Electrical works</i>		0	0	5,663	5,033	5,663	5,033
<i>incl Other services</i>		0	0	3,931	3,822	3,931	3,822
Lease income	9					4,703	4,611
Total	15					174,047	174,712

Revenue by geographical regions (location of customer)

(EUR'000)	Note	2025	2024
Estonia		29,852	23,028
Finland		54,655	67,811
Sweden		20,284	25,963
Norway		39,264	26,336
Germany		14,139	13,764
Netherlands		9,399	3,244
Denmark		3,422	1,158
United States		518	10,739
Other countries		2,514	3,614
Total revenue	15, 16	174,047	174,712

Operating expenses

(EUR'000)	Note	2025	2024
Cost of sales			
Goods and materials		-102,054	-107,996
Services purchased		-9,553	-12,313
Personnel expenses	16	-28,546	-28,558
Depreciation and amortization	7, 8, 10	-3,933	-3,582
Other expenses		-3,681	-4,533
Increase in inventories of work in progress and finished goods	5	-377	3,169
Total		-148,144	-153,813
Distribution costs			
Services purchased		-1,766	-1,713
Personnel expenses	16	-3,306	-2,871
Depreciation and amortization	7, 8, 10	-53	-32
Other expenses		-477	-94
Total		-5,602	-4,710
Administrative expenses			
Services purchased		-2,198	-2,522
Personnel expenses	16	-5,973	-5,874
Depreciation and amortization	7, 8, 10	-456	-336
Other expenses		-799	-481
Total		-9,426	-9,213
<i>- including development costs</i>		-113	-61

Personnel expenses

(EUR'000)	Note	2025	2024
Personnel expenses allocated to cost of sales, distribution costs and administrative expenses:			
Salaries		-29,447	-30,057
Social security and other payroll taxes		-6,948	-6,513
Share-based payments	14, 20	-20	-43
Capitalized personnel expenses		171	222
Change in accrued personnel expenses		-1,581	-912
Total		-37,825	-37,303
Incl average number of employees:			
A person employed under the employment contract		816	890
A person providing service under the law of obligations, except for a self-employed person		3	3
A member of a management or controlling body of a legal person		6	4
Total		825	897

A more detailed overview of employee data for the reporting year can be found in the '[Social Information](#)' chapter.

Other income and expenses

(EUR'000)	2025	2024
Other income		
Gains on sale of property, plant and equipment	3	30
Interest income	12	17
Net gain from foreign exchange differences	1,057	118
Other income	340	116
Total	1,412	281
Other expenses		
Loss on sale of property, plant and equipment	-1	-3
Interest expenses	-65	-130
Net loss from foreign exchange differences	-124	-563
Other costs	-118	-153
Total	-308	-849

Finance income and expenses

(EUR'000)	2025	2024
Finance income		
Interest income	20	18
Dividend income	0	78
Net gain from foreign exchange differences	1,639	20
Total	1,659	116
Finance expenses		
Interest expenses	-1,273	-2,025
Net loss from foreign exchange differences	-914	-409
Other finance expenses	-4	-2
Total	-2,191	-2,436

Other income and financial income in the reporting year was significantly influenced by the strengthening of the Swedish krona against the euro, leading to increased foreign exchange revaluation effects on receivables and liabilities.

17. Contingent liabilities

Income tax

(EUR '000)	31.12.2025	31.12.2024
Retained earnings	61,150	52,937
Maximum possible dividend distributable to owners	44,649	39,543
Potential income tax expense on dividend distribution	16,502	13,394

In calculating the maximum potential corporate income tax liability, it has been assumed that the total amount of net dividends to be distributed together with the corporate income tax payable may not exceed the distributable profit as at 31 December 2025. The calculation of the contingent income tax liability is based on the maximum tax rate of 22/78.

18. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the reporting period by the weighted average number of issued shares outstanding during the period.

For the calculation of diluted earnings per share, potentially issuable shares are taken into account. By a resolution of the general meeting of shareholders held on 29 April 2021, the 2021–2022 share option programme was approved, under which the members of the Management Board 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 under the option programme is the average closing price of the Company's shares on the Nasdaq Tallinn Stock Exchange as at 31 December of the calendar years 2018, 2019 and 2020, i.e. 4.50 euros per share. During the reporting period, options granted under the programme approved in 2021 were exercised. The share issue related to the exercise of the option programme involved four current and former employees of Harju Elekter, who subscribed for a total of 27,000 shares for a consideration of 121,500 euros. A total of 57,500 shares remained unsubscribed.

As at 31 December 2025, the Group had a total of 54,000 (31.12.2024: 138,500) potentially issuable ordinary shares (Note 20), which were exercised in January 2026.

With respect to share based payments subject to the requirements of IFRS 2, the subscription price of the shares includes the cost of future services to be provided by employees in connection with share based compensation. According to an independent expert, the fair value of the service per issued share was estimated at 3.55 euros in the 2021 tranche and 1.52 euros in the 2022 tranche. Potential shares become dilutive only after the average market price of the shares for the period exceeds these values. During the reporting period, the average market price of the shares was 4.70 (2024: 4.77) euros.

	Unit	2025	2024
Profit attributable to owners of the parent company	EUR '000	10,784	3,175
Average number of shares in the period	Pcs '000	18,512	18,499
Basic earnings per share	EUR	0.58	0.17
Adjusted average number of shares in the period	Pcs '000	18,563	18,499
Diluted earnings per share	EUR	0.58	0.17

19. Information about line items in the statement of cash flows

(EUR '000)	Note	2025	2024
Corporate income tax			
Income tax expense in the statement of profit or loss		-663	-913
Decrease (+)/increase (-) in prepayment and decrease (-)/increase (+) in liability	13	-630	603
Deferred income tax expense/income		526	59
Currency translation differences		0	-8
Corporate income tax paid		-767	-259
Paid for investment properties			
Acquisitions of investment properties	7	-339	-1,822
Decrease (-)/ increase (+) of liability related to acquisition	12	-64	-172
Paid for investment properties		-403	-1,994
Paid for property, plant and equipment			
Additions of property, plant and equipment	8	-2,715	-894
Decrease (-)/ increase (+) of liability related to additions of property, plant and equipment	12	453	-11
Other proceeds from investing activities		0	2
Paid for property, plant and equipment		-2,262	-903
Paid for intangible assets			
Additions of intangible assets	10	-2,065	-1070
Decrease (-)/ increase (+) of liability related to additions of intangible assets	12	86	-13
Currency translation differences		0	3
Paid for intangible assets		-1,979	-1,080

20. 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 30.06% of the shares of AS Harju Elekter Group. The Group's management comprises members of the Parent company's Supervisory and Management Boards.

Transaction with related parties

(EUR '000)	31.12.2025	31.12.2024
Balances with related parties:		
- Payables to Supervisory Board-related companies for goods and services	65	56
- Payables to Management and Supervisory Boards	122	96
- Bonus reserve for Management board members	270	42

	2025	2024
Purchase of goods and services from companies related to the Supervisory Board	755	875
Purchase of goods and services from owners	114	89
Sale of goods and services to companies related to the Supervisory Board	60	5
Remuneration of the members of the Supervisory and Management Boards:		
- salary, bonuses, benefits (incl. severance payments), and other remuneration	922	687
- social security tax	304	227

Members of the Management Board receive remuneration in accordance with their service agreements and are additionally entitled to severance pay of up to six months' remuneration of a Management Board member. The members of the Management Board do not have any pension-related rights. During the reporting year, no other transactions were entered into with members of the Group's governing bodies and/or their related parties. More detailed information on remuneration and benefits paid to the members of the Management Board of AS Harju Elekter Group is disclosed in the [Remuneration Report](#).

Share-based compensation

The resolution of the general meeting of shareholders held on 29 April 2021 approved the 2021–2022 share option programme, 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 2018, 2019 and 2020 on the Nasdaq Tallinn Stock Exchange as at 31 December, i.e. 4.50 euros per share. The term of the option programme was two years, followed by an option exercise period. The option exercise period was 36 and 48 months after the written option agreements were entered into. During the reporting period, options granted in 2021 and 2022 were exercised. The share issue related to the exercise of the option programme involved four current and former employees of Harju Elekter, who subscribed for a total of 27,000 shares for a consideration of 121,500 euros. A total of 57,500 shares remained unsubscribed.

The principles of IFRS 2 have been applied to the recognition of share subscription rights. In measuring the services (labour input) to be received from employees in exchange for shares, the Group used the fair value of the subscription rights at the time of entering into the preliminary contracts. According to an independent expert, the value of the service per issued share was estimated at 3.55 euros for the 2021 tranche and 1.52 euros for the 2022 tranche. The Black-Scholes valuation model was used to estimate fair value. The valuation took into account the weighted average market price of the share (4.44, 4.50 and 4.50 euros), the expected volatility of the share (30%, 32% and 35%), the risk-free interest rate (1.50%, 1.50% and 3%), expected dividends, and the length of the period between the conclusion of the preliminary contracts and the planned share subscription date (three years). In 2025, the amount of share-based payments recognised as personnel expenses amounted to 0.02 (2024: 0.04) million euros. ([Note 14](#) and [16](#)).

	Number of contracts	Number of shares potentially issued	Share-based payments reserve (EUR '000)
As at 31 December 2023	21	153,500	240
Quantity canceled during the period (2020)	-2	-15,000	
Share-based payments 2024			43
As at 31 December 2024	19	138,500	283
Quantity canceled during the period (2021)	-10	-57,500	
Quantity realised during the period (2021)	-4	-27,000	-232
Share-based payments 2025			20
As at 31 December 2025	5	54,000	71

Information on basic and diluted net profit per share can be found in [Note 18](#).

21. Subsidiaries

Name of the Subsidiaries	Ownership and voting rights %		Equity (EUR '000)				
	31.12.2025	31.12.2024	Location	Core business	Segment	31.12.2025	31.12.2024
AS Harju Elekter	100%	100%	Estonia	Production	Production	22,773	12,929
Harju Elekter Oy	100%	100%	Finland	Production	Production	7,643	8,703
Harju Elekter UAB	100%	100%	Lithuania	Production	Production	6,703	7,294
Harju Elekter AB	100%	100%	Sweden	Production	Production	35	-1,907
Harju Elekter Kiinteistöt Oy	100%	100%	Finland	Management of industrial real estate	Real estate	2,904	2,950
Harju Elekter Services AB	100%	100%	Sweden	Management of industrial real estate	Real estate	257	-1,164
Telesilta Oy	100%	100%	Finland	Electrical engineering works	Other activities	1,087	841
Energo Veritas OÜ	100%	100%	Estonia	Retail and wholesale	Other activities	-1,863	-1,780

In accordance with the strategy of AS Harju Elekter Group to focus on in-house manufacturing and to discontinue retail and wholesale trading of electrical materials and equipment, the Group's Estonian subsidiaries, AS Harju Elekter and Energo Veritas OÜ, have initiated a merger process. The merger agreement was signed on 1 October 2025. As a result of the merger, Energo Veritas OÜ (the transferring company) will be merged into AS Harju Elekter (the acquiring company), after which Energo Veritas OÜ will be deemed dissolved. The merger decisions were adopted on 1 December 2025, the merger balance sheet date was 1 January 2026, and the merger was entered in the Commercial Register on 16 March 2026.

As of the reporting date, the Group has no subsidiaries with a non-controlling interest.

Location of the Group's non-current non-financial assets

(EUR '000)	31.12.2025	31.12.2024
Estonia	41,091	40,324
Finland	8,232	7,997
Sweden	11,872	11,723
Lithuania	10,186	9,929
Total	71,381	69,973

22. Primary financial statements of the parent company

In accordance with the Estonian Accounting Act, the unconsolidated primary financial statements of the Parent company (statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity) is presented in the notes to the consolidated financial statements.

Statement of financial position

(EUR '000)	31.12.2025	31.12.2024
Cash and cash equivalents	176	1,253
Trade receivables	582	582
Receivables from Group companies	13,513	16,022
Other current receivables and prepayments	98	79
Total current assets	14,369	17,936
Investments in subsidiaries	14,794	14,794
Non-current receivables from subsidiaries	33,019	27,344
Other non-current financial investments	27,222	27,221
Investment properties	31,736	32,702
Property, plant and equipment	2,203	2,185
Intangible assets	2,038	727
Total non-current assets	111,012	104,973
TOTAL ASSETS	125,381	122,909

(EUR '000)	31.12.2025	31.12.2024
Borrowings	10,553	7,165
Trade payables	879	278
Payables to Group companies	56	108
Tax liabilities	227	254
Other liabilities and prepayments from customers	969	568
Total current liabilities	12,684	8,373
Borrowings	12,229	16,154
Other non-current liabilities	5711	6,983
Total non-current liabilities	17,940	23,137
Total liabilities	30,625	31,510
Share capital	11,672	11,655
Share premium	3,410	3,306
Reserves	23,435	23,254
Retained earnings	56,240	53,184
Total equity	94,757	91,399
TOTAL LIABILITIES AND EQUITY	125,381	122,909

Statement of comprehensive income

(EUR '000)	2025	2024
Revenue	10,514	9,729
Cost of sales	-3,671	-3,132
Gross profit	6,843	6,597
Other income	245	127
Administrative expenses	-4,378	-3,600
Other expenses	-81	-40
Operating profit	2,629	3,084
Revenue from subsidiaries	2,775	2,405
Dividend income from available-for-sale financial assets	0	78
Interest income	807	1,413
Interest expenses	-927	-1,407
Loss from change of foreign exchange rates	728	-367
Profit from operating activities	6,012	5,206
Income tax	0	-12
Profit for the period	6,012	5,194
Other comprehensive income/loss		
Gain (loss) from revaluation of financial assets	0	114
Total other comprehensive income/loss for the period	0	114
Comprehensive income/expense for the period	6,012	5,308

Statement of cash flows

(EUR '000)	2025	2024
Cash flows from operating activities		
Profit	6,012	5,194
Adjustments		
Depreciation, amortization and impairment losses	2,142	1,785
Profit on sale of non-current assets	-2	-20
Finance income	-5,106	-3,896
Finance expenses	1,724	1,774
Income tax	0	12
Changes		
Changes in trade receivables	3,616	-2,601
Changes in trade payables	419	-219
Interest paid	-927	-1,438
Total cash flow from operating activities	7,878	591
Cash flows from investing activities		
Payments for investment properties	-488	-2,018
Payments for property, plant and equipment	-199	-226
Payments for intangible assets	-1,278	-598
Payments for financial investment	-17	0
Proceeds from sale of property, plant and equipment	2	41
Proceeds from sale of financial investments	17	1,641
Change in overdraft balance	-889	7,658
Repayments of loans granted	667	4,512
Loans granted	-7,000	-2,950
Interest received	439	1,002
Dividends received	2,775	2,482
Total cash flow from investing activities	-5,971	11,544

(EUR '000)	2025	2024
Cash flows from financing activities		
Change in overdraft balance	1,777	-5,848
Repayments of borrowings	-2,019	-2,644
Repayments of lease liabilities	-87	-28
Proceeds from the share issue	122	0
Dividends paid	-2,775	-2,405
Dividend income tax paid	0	-12
Total cash flow from financing activities	-2,982	-10,937
Total cash flows	-1,075	1,198
Cash and cash equivalents at the beginning of the period	1,253	59
Change in cash and bank accounts	-1,075	1,198
Effects of exchange rate differences	-2	-4
Cash and cash equivalents at the end of the period	176	1,253

Statement of changes in equity

(EUR '000)	Share capital	Share premium	Mandatory reserve	Revaluation reserve	Retained earnings	Total
Balance at 31 December 2023	11,655	3,306	1,242	22,083	50,210	88,496
Comprehensive income 2024						
Profit for the period	0	0	0	0	5,194	5,194
Other comprehensive income (loss) for 2024	0	0	0	-71	185	114
Total comprehensive income (loss)	0	0	0	-71	5,379	5,308
Transactions with the owners of Parent recognized directly in equity						
Dividends paid (Note 14)	0	0	0	0	-2,405	-2,405
Total transactions with the owners of Parent	0	0	0	0	-2,405	-2,405
Balance at 31 December 2024	11,655	3,306	1,242	22,012	53,184	91,399
Comprehensive income 2025						
Profit for the period	0	0	0	0	6,012	6,012
Other comprehensive income (loss) for 2025	0	0	0	181	-181	0
Total comprehensive income (loss)	0	0	0	181	5,831	6,012
Transactions with the owners of Parent recognized directly in equity						
Share capital contribution (Note 14)	17	104	0	0	0	121
Dividends paid (Note 14)	0	0	0	0	-2,775	-2,775
Total transactions with the owners of Parent	17	104	0	0	-2,775	-2,654
Balance at 31 December 2025	11,672	3,410	1,242	22,193	56,240	94,757

(EUR '000)	2025	2024
Unconsolidated equity as at 31 December	94,757	91,399
Interests under control and significant influence:		
-Carrying amount	-14,794	-14,794
-Carrying amount under the equity method	18,898	14,428
Adjusted unconsolidated equity as at 31 December	98,861	91,033

According to the Estonian Accounting Act, the amount from which a public limited company may make payments to shareholders is as follows: adjusted non-consolidated equity less share capital, share premium and reserves.

According to the Commercial Code, the parent company, which prepares the consolidated annual report, adopts the decision to distribute profit on the basis of the consolidated reports of the Group. It is not permitted to distribute profit based on consolidated reports to the extent that it would reduce the net assets of the parent company to the level below the total sum of share capital and reserves, the payment of which to shareholders is not permitted by law or the Articles of Association.

23. Basis of preparation and significant accounting policies

23.1 Basis of preparation

The consolidated financial statements of AS Harju Elekter Group and its subsidiaries (Group) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The key accounting policies used in the preparation of these consolidated financial statements are disclosed below. The consolidated financial statements have been prepared on a historical cost basis, except as otherwise stated in the accounting policies. Financial investments of the Group are measured at fair value.

In accordance with the requirements of International Financial Reporting Standards, management accounting estimates must be used in the preparation of the financial statements. It also requires management to make decisions related to the selection and application of accounting policies. The areas where the weight or complexity of estimates is higher, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in [Note 24](#).

23.2 Primary financial statements of the Parent company

Under the Estonian Accounting Act, the Parent company's separate primary financial statements (the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity) are to be disclosed in the notes to the consolidated financial statements. The separate primary financial statements of AS Harju Elekter Group are disclosed in [Note 22 "Primary financial statements of the Parent company"](#). The separate primary financial statements are prepared using the same accounting policies and measurement bases as those applied in the preparation of the consolidated financial statements, except for investments in subsidiaries that are accounted for using the cost method in the parent's separate primary financial statements.

23.3 Changes in accounting policies for the reporting period

The new or amended standards and interpretations that became effective for the first time on 1 January 2025 did not have a material impact on the Group.

23.4 Standards, interpretations and amendments to published standards that are not yet effective

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2026 and have not been early adopted by the Group.

- *Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7*
- *Annual Improvements to IFRS Accounting Standards*
- *IFRS 18 Presentation and Disclosure in Financial Statements*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures*
- *Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28*
- *IFRS 14, Regulatory Deferral Accounts*

The remaining new or amended standards or interpretations that are not yet effective are not expected to have a material impact on the Group.

23.5 Basis of consolidation (IFRS 10)

Information regarding the subsidiaries of AS Harju Elekter Group and their ownership and voting rights is provided in [Note 21](#).

23.6 Recognition of foreign currency transactions and balances

Consolidated financial statements are provided in thousands of euros (,000 euros), unless indicated otherwise.

Consolidated financial statements are presented in euros, which is the reporting and presentation currency of the parent company. All figures are rounded to the nearest thousand, unless indicated otherwise. Estonian, Lithuanian and Finnish subsidiaries employ the Euro (EUR) as accounting currency. Swedish companies use a different accounting currency (SEK) from the rest of the Group, and therefore this subsidiary's assets and liabilities are translated into euros based on the official exchange rates of the European Central Bank prevailing on the balance sheet date. Revenue and costs are translated into euros based on the average exchange rate for the period, and other changes in equity are translated based on the exchange rate prevailing on the date they are incurred.

23.7 Cash and cash equivalents (IAS 7)

Cash and cash equivalents include term deposits at banks, other short-term liquid investments with maturities of three months or less and whose risk of changes in value is insignificant.

23.8 Financial instruments (IFRS 9, IAS 32)

Financial assets and liabilities are recognised in the statement of the Group's financial position when the Group becomes a contractual party to the instrument.

Financial assets

The Group classifies financial assets in the following measurement categories:

- financial assets to be measured at amortised cost; and
- financial assets measured at fair value through other comprehensive income or fair value through profit or loss.

Classification is determined at initial recognition and depends on the Group's business model for managing financial assets and the contractual terms of the cash flows.

Recognition, measurement and derecognition

Financial assets are initially recognised at fair value. For assets measured at amortised cost or at fair value through other comprehensive income, transaction costs are added on initial recognition. For assets measured at fair value through profit or loss, transaction costs are recognised immediately as an expense. Purchases and sales of financial assets are recognised on the trade date.

A financial asset is derecognised when the rights to the cash flows from the asset expire or are transferred and the Group no longer retains substantially all the risks and rewards related to the asset.

Debt instruments

Cash and cash equivalents, receivables, loans and other similar assets are measured at amortised cost, provided that the Group holds them primarily to collect contractual cash flows and the cash flows consist solely of payments of principal and interest.

Equity instruments

Shares, interests and other equity instruments are measured at fair value. Where the Group has made an irrevocable election to present changes in the fair value of equity instruments held for non-trading purposes in other comprehensive income, the accumulated fair value changes are not reclassified to profit or loss upon derecognition of the instrument. Dividends received from such investments are recognised in profit or loss under other operating income.

Quoted securities are measured at the closing prices at the end of the reporting period. For unquoted securities, fair value is determined based on publicly available information, using valuation techniques such as comparison with the fair value of similar instruments at the end of the reporting period and/or discounted cash flow analysis.

Impairment of financial assets

The Group assesses expected credit losses on debt instruments measured at amortised cost using forward-looking information. The impairment methodology applied depends on whether credit risk has increased significantly. Measurement of expected credit losses reflects an unbiased and probability-weighted amount, the time value of money, and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

For cash and cash equivalents, deposits, trade receivables and contract assets that do not contain a significant financing component, the Group applies the simplified approach permitted by IFRS 9 and recognises a loss allowance equal to lifetime expected credit losses on initial recognition. The Group uses a provision matrix under which the loss allowance is calculated based on different ageing periods of receivables ("**Creditworthiness of financial assets**").

Financial liabilities

The Group's financial liabilities (prepayments from customers, trade payables, accrued expenses, other current and non-current liabilities, received loans and other liabilities) are initially recognised at fair value less direct transaction costs. Financial liabilities are thereafter carried at amortised cost using the effective interest rate method.

23.9 Inventories (IAS 2, IAS 23)

Inventories are carried at cost or net realisable value, whichever is lowest. The FIFO method is used for the valuation of materials and goods. The cost of finished goods and work-in-progress includes design costs, raw materials, direct labour costs, other direct costs and manufacturing overhead (based on normal operating capacity), except for borrowing costs.

23.10 Investment properties (IAS 40)

Investment properties are recognised at cost, less any accumulated depreciation and any impairment losses. The acquisition cost includes transaction fees directly related to the acquisition (i.e. notary fees, state fees, fees paid to advisors and other expenses, without which the purchase transaction would probably not have taken place). The Group discloses the fair value of investment property in [Note 7](#) of these financial statements.

The useful life use for depreciation of similar items of property, plant and equipment is used for depreciation of investment properties ([Depreciation](#)).

Profit or loss arising from the derecognition of investment property are recognised in the income statement for the wind-down period under other operating income or other operating expenses.

23.11 Property, plant and equipment (IAS 16)

Recognition and measurement

Items of property, plant and equipment are recognised at an acquisition cost less any accumulated depreciation and any impairment losses. The acquisition cost of an item of property made for own use consists of material costs, direct labour costs and a proportional share of manufacturing overheads and borrowing costs which are related to the acquisition, construction or production of the item.

Depreciation

Depreciation is recognised as an expense on a straight-line basis over the estimated useful life of an item of property, plant and equipment and its identifiable components.

The following estimated useful lives are applied:

Asset category	Useful life
Buildings and structures	10–33 years
Machinery and equipment	5–10 years
Other equipment and fixtures	3–16 years

23.12 Intangible assets (IAS 38, IAS 36)

Intangible assets (other than goodwill) are amortised on a straight-line basis over their estimated useful lives.

Other intangible assets

Other intangible assets include licenses and computer software. Acquired licenses are recognised at acquisition cost. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire the software and prepare it for use. Other intangible assets acquired are measured at acquisition cost less any accumulated depreciation and any impairment losses.

23.13 Leases (IFRS 16)

When a contract is entered into, the Group assesses whether it is a lease contract or contains lease relations. A contract is a lease contract or contains lease relations where the contract gives the right to control the use of specified assets for a specified period in return for payment. In assessing whether a contract gives the right to control and use the assets, the Group relies on the requirements of IFRS 16 "Leases".

Group as lessor

Assets leased out under operating lease terms are recognised in the statement of financial position in the usual way, similarly to other assets recognised in the company's statement of financial positions. Operating lease payments are recognised over the lease term as income using the straight-line method.

Group as lessee

The Group leases office and production premises, machinery and equipment, and vehicles, and recognises right-of-use assets and lease liabilities at the commencement date of the lease. The Group determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The Group revises the lease term when there is a change in the non-cancellable period of the lease.

At initial recognition, the Group measures the leased asset (the “right-of-use asset”) at cost, which comprises the initial amount of the lease liability. The initial amount of the lease liability is adjusted for lease payments made at or before the commencement date, initial direct costs incurred and estimated costs to be incurred in dismantling and removing the underlying asset or restoring the site. Lease incentives received are deducted from this amount. Right-of-use assets are presented in the statement of financial position within “Property, plant and equipment”.

The lease liability is discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses its incremental borrowing rate, being the rate of interest that the Group would have to pay to borrow, in a similar economic environment, for a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset. The lease liability is remeasured when there are changes in future lease payments resulting from changes in an index or rate, or when the Group changes its assessment of whether it will exercise an option to extend or terminate the lease.

The Group does not apply the requirements of IFRS 16 to leases with a lease term of 12 months or less or to leases for which the underlying asset is of low value. Payments related to such leases are recognised as an expense in the income statement on a straight-line basis. Leases of low-value assets comprise leases of IT equipment.

23.14 Income tax and deferred tax (IAS 12)

The consolidated statement of profit and loss recognises the income tax expense, the effect of the change in deferred tax liabilities and assets for the subsidiaries located in Sweden, Lithuania and Finland, and the income tax on dividends of Estonian companies.

Corporate income tax in Estonia

In accordance with the laws of the Republic of Estonia, corporate income tax becomes payable upon the distribution of profits and is recognised as an expense at the time dividends are declared. In addition, corporate income tax is paid on fringe benefits, gifts, donations, entertainment expenses, non-business-related expenses and transfer pricing adjustments. Distributed profits are subject to corporate income tax at a rate of 22%, calculated as 22/78 of the net amount distributed.

Corporate income tax in other countries

The net profits of subsidiaries are subject to corporate income tax in accordance with local income tax rates: 20% (2024: 20%) in Finland, 20.6% (2024: 20.6%) in Sweden and 16% (2024: 15%) in Lithuania. Taxable profit is calculated based on profit before income tax and adjusted in the corporate income tax returns for temporary and permanent differences arising from income and expenses in accordance with the requirements of local tax legislation.

Deferred income tax

Deferred income tax liability is recognised in the consolidated statement of financial position if the parent company foresees dividend payment by the subsidiary in the foreseeable future, and is measured as the planned dividend payment amount, contingent on the subsidiary having sufficient equity on the reporting date to pay the dividend in the foreseeable future. The deferred income tax amount is determined based on tax rates in force or provided in law on the reporting date, and which will presumably be applied at the time of disposing of the deferred income tax asset or paying the income tax obligation.

23.15 Employee benefits (IAS 19)

Liabilities to employees include, among other things, an obligation arising from performance reward systems, which is recognised in accordance with the financial results of the Group companies and the achievement of the targets set for the employees.

Share-based transactions (IFRS 2)

The Group operates option programmes with share-based payments (Note 20). For services provided, employees are granted options to acquire shares in AS Harju Elekter Group. The fair value of services is determined by reference to the fair value of equity instruments granted to employees at the date of the grant. From the granting of the option until the start of the period during which the shares are issued,

the fair value of the service is recognised as a labour cost and in equity under "Reserves". At the end of each reporting period, the Group estimates the number of options to be exercised. When options are exercised, the Group issues new shares. The proceeds received for the issue of shares, net of direct transaction costs, are recognised in equity under share capital and share premium. When options are exercised, the amount recognised as a reserve for labour costs is recognised in equity under "Retained earnings".

23.16 Provisions (IAS 37)

Provisions are recognised when the Group has a legal or constructive obligation arising from past events and it is likely that a resource outflow is required to settle this obligation and the amount is reliably measurable. Provisions are not recognised for future operating losses. Provision for onerous contracts is recognised if the Group has entered into contracts where the unavoidable costs of performing the contract exceed the estimated economic benefit from the contract.

23.17 Revenue from contracts with customers (IFRS 15)

Revenue is measured on the basis of the fee established in the contract with the customer. The Group recognises revenue when it fulfils a contractual obligation to deliver goods or services to the client. The Group is considered to have transferred the goods or services to the client at the time the client acquires control of the goods or services. Control may be transferred at a specific time or over a period.

Sale of goods

The Group manufactures and sells electrical distribution equipment and control panels and various metal products. Sales are recognised when control over the products has been transferred.

Revenue is recognised over the manufacturing period if the electrical equipment is manufactured according to customer's specifications and there is no alternative use for the specific asset (the Group cannot use or sell the asset without considerable additional costs), and the Group has the right to receive payment according to the progress of work. Revenue is determined based on the share of actual costs incurred compared to the total expected costs. If, by the balance sheet date, the customer has been invoiced less than the revenue recognised during the manufacturing period, the contract asset is

recognised in the statement of financial position as "Trade and other receivables" (Note 3). If invoices exceed manufacturing capacity, the contractual obligation is carried in the statement of financial position as "Trade prepayments".

If the Group provides any additional services to the customer after transfer of control over the goods, revenue from such services is considered to be a separate performance obligation and this revenue is recognised over the time of the provision of the service.

Electrical works and other services

Revenue for services provided is recognised for the period of service provision. For fixed-price contracts, revenue is recognised based on the actual service provided by the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits of the service simultaneously with service provision. Revenue is determined based on the share of actual costs incurred compared to the total expected costs.

Estimates of revenues, costs and contract performance progress are revised as circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the statement of profit or loss for the period during which the circumstances that give rise to the revision become known to management. If the contract includes variable consideration, revenue is recognised only to the extent that it is highly probable that there will be no significant reversal of such consideration.

23.18 Related parties (IAS 24)

For the purposes of preparing the consolidated financial statements, related parties are:

- AS Harju KEK, holding 30.06% of AS Harju Elekter Group shares;
- members of the Management Board and Supervisory Board of the parent company;
- immediate family members of the aforementioned persons - spouse, minor children or persons sharing a household with a member; and
- companies controlled by members of the Management Board and Supervisory Board of the Parent company.

24. Accounting estimates and decisions

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that can have a material impact on the application of policies and carrying amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying amounts of assets and liabilities that are not readily available from other sources.

Estimates and underlying assumptions are continually evaluated. The effect of a change in an accounting estimate is recognized in the period of the change and any future periods affected by the change.

Critical accounting estimates made by management in the preparation of the financial statements

- Testing the recoverable amount of goodwill (Note 10)
- Fair value of financial investments (Note 6)
- Useful lives of investment property and property, plant and equipment (Notes 7, 8, 23)

25. Financial risk management

In its day-to-day operations, the Group faces various risks. Management of these risks is an important and integral part of the company's business. The ability of the company to identify, measure and control different risks is an important input to the Group's overall profitability. Risk is defined by the Group's management as a possible negative deviation from the expected financial result.

The main risk factors are:

- market risk;
- credit risk;
- liquidity risk; and
- capital risk.

The Group's risk management is based on the requirements set by the Nasdaq Tallinn Stock Exchange, the Financial Supervision Authority and other regulatory bodies, the monitoring of generally accepted accounting standards and good practices, and the company's internal regulations and risk policies. The main role of risk management and approval of risk procedures in the management of the parent company is at the level of each subsidiary and Parent company, both consolidated and individually. The Supervisory Board of the parent company monitors the measures taken to manage the risks of the Management Board.

25.1 Market risk

Market risk is the risk arising from changes in the markets to which the Group is exposed. The main market risks in the Group's business are **currency risk**, **price risk** and **interest rate risk**.

Currency risk

Currency risk is the risk that the fair value or cash flows of financial instruments will be volatile in the future due to changes in foreign exchange rates. Most of the Group's operations are carried out in the currencies of the economic environment in which the Group operates: euros (EUR) in Estonia, Finland, and Lithuania and Swedish kronor (SEK) in Sweden. The Group's foreign exchange risk arises from the translation of the Swedish subsidiary's functional currency into the Group's functional and presentation currency. Financial assets and liabilities denominated in euros (EUR) are considered to be free of foreign exchange risk.

To mitigate currency risks, the Group concludes as many international agreements as possible and makes most intra-group transactions in euros. The table below shows the Group's foreign currency receivables and liabilities. Based on availability, the funds received from collection of foreign currency receivables will be used to settle liabilities in the same currency. All existing non-current loan agreements are denominated in euros and are therefore treated as liabilities that are not subject to currency risk.

(EUR '000)	31.12.2025		31.12.2024	
	EUR	SEK	EUR	SEK
Assets	89	28,497	6	29,458
Liabilities	-5	-27,391	322	-31,792
Open currency position	84	1,106	328	-2,334
Revenue	276	21,366	71	25,329
Expenses	-71	-23,882	-281	-33,154
Open currency position	205	-2,516	-210	-7,825

The potential impact of foreign currency fluctuations on comprehensive income is calculated based on the maximum foreign currency fluctuation during the reporting period that has been used in the table below to assess the effect of a potential change in the exchange rate. For the purposes of sensitivity analysis of the Group's net open foreign currency position, all other inputs were held constant.

Possible impact on total comprehensive income:

(EUR '000)	2025	2024
Impact of SEK exchange rate +7.33% (2024: +5.55%)	182	-1,171
Impact of SEK exchange rate -7.33% (2024: -5.55%)	-206	-2,079

Price risk

The Group is exposed to equity price risk arising from changes in the fair value of equity instruments held by the Group. Changes in the fair value of the 5.45% shareholding in OÜ Skeleton Technologies Group, which is recognised as other long-term financial investments, may have a significant impact on the value of the Group's assets. The future value of the investment depends on the realisation of projected growth in business volumes, both at the level of the investee itself and in the overall economic environment. These factors may significantly affect the pricing of future funding rounds, which in turn represent a key input in the measurement of the fair value of the investment. Information on the shareholding in OÜ Skeleton Technologies Group is disclosed in [Note 6](#). In addition, other long-term financial investments include listed securities and, in the comparative period, a 10% shareholding in IGL-Technologies Oy, which was disposed of during the reporting period ([Note 6](#)).

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk stems from current and non-current borrowings taken on at a floating interest rate. Through variable rate financial liabilities, the Group is exposed to cash flow interest rate risk. The risk of the Group's interest rates is first dependent on possible changes in the Euro Interbank Offered Rate and the €STR (euro short-term rate).

The Group's non-current and current borrowings as at 31 December 2025 carried floating interest rates based on the 3-month, 6-month and 12-month Euribor ([Note 11](#)).

At the balance sheet date, the interest rate structure of the Group's interest-bearing financial instruments were as follows:

EUR '000	Note	31.12.2025	31.12.2024
Fixed rate financial liabilities	11	2,063	2,895
Variable rate financial liabilities	11	28,462	27,128
Total	11	30,524	30,023

If the interest rate had changed by an average of one percentage point during the year, the profit or loss and equity would have increased (or decreased) by 0,3 (31.12.2024: +/- 0,3) million euros, assuming that the other variables are constant. The calculation was performed on the same basis also in the previous period.

25.2 Credit risk

Credit risk assessment

Credit risk represents a potential loss that could arise if a Group's counterparty in a transaction is unable to meet its contractual obligations and provide cash flows from the financial instrument. Credit risk is mainly related to cash and cash equivalents, deposits, trade receivables and contractual assets.

Credit risk is managed on a group-by-group basis, accepting only banks and financial institutions with high credit ratings in the Baltic States and Scandinavia as long-term partners. In order to dissipate the liquidity risk, the Group holds free funds in different banks: In the current accounts of banks belonging to Swedbank AB group banks, AS SEB Pank, AS LHV Group, Coop Pank AS, Nordea Bank, and the OP Corporate Bank group.

Cash and cash equivalents by depositing bank according to Moody's Investor Service credit rating:

EUR '000	Note	31.12.2025	31.12.2024
a3		98	1,075
aa2		569	0
aa3		215	895
baa1		475	597
Baa2		188	1,063
baa3		0	143
Total	2, 25.4	1,545	3,773

The scope of the Group's credit risk is most affected by the specific circumstances of each customer. At the same time, the Group's management also follows the general circumstances such as the legal status of the customer (private or public company), the geographical location of the customer, the field of operation, the state of the economy and future economic forecasts. To reduce the credit risk, customers' payment discipline and their ability to meet their commitments are monitored daily. In the case of long-term projects or new customers, financing is also partially done with advance payments from customers, depending on the content of the agreement and the work. Based on internal and external ratings, individual credit limits are set for customers. There is regular monitoring of the use of credit limits.

The maximum exposure to credit risk equals the carrying amount of trade receivables, net of impairment allowances. The balance of trade receivables from the ten largest customers amounted to 12.2 million euros as at 31 December 2025.

EUR '000	Note	31.12.2025	31.12.2024
Cash and cash equivalents	2, 25.4	1,545	3,773
Trade receivables, contract assets and other receivables	3	46,654	29,606
Total		48,199	33,379

As at 31 December 2025, the Group's exposure to credit risk was 48.2 million euros and as 31 December 2024 it was 33.4 million euros. Management considers that the Group has no significant risk of a credit loss exceeding the amount already recognized.

Credit quality of financial assets

The Group uses a simplified approach to measure expected credit losses under IFRS 9, applying lifetime expected credit losses to all trade receivables and contract assets. Historical loss rates are adjusted to include both current and future information about the macroeconomic factors, which may have an impact on the ability of customers to pay for the receivables.

To measure expected credit losses, trade receivables and contract assets are grouped according to the shares credit risk characteristics and the aging period. The expected credit loss rates are based on the payment discipline over the last 12 month-period until 31 December 2025, historical credit losses occurred in respective periods and considering the economic growth and market interest rate forecasts.

Based on the principles described above the allowances as at 31 December 2025 and 31 December 2024 were as follows:

EUR'000	Note	Not due	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2025							
Expected loss rate		0.00%	0.00%	0.00%	0.00%	27.79%	
Trade receivables	3	19,742	2,790	53	123	522	23,230
Contract assets	3	23,533	0	0	0	0	23,533
Other receivables	3	6	0	0	0	0	6
Total loss allowance		0	0	0	0	145	145
31 December 2024							
Expected loss rate		0.01%	0.01%	0.01%	0.01%	46.22%	
Trade receivables	3	12,429	1,717	496	168	471	15,281
Contract assets	3	14,349	0	0	0	0	14,349
Other receivables	3	42	0	0	0	0	42
Total loss allowance		2	0	0	0	218	220

25.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial liabilities that are settled by the transfer of cash or another financial asset. The Management Board continuously monitors cash flow forecasts, taking into account the availability and sufficiency of the Group's financial resources to meet its commitments and to finance the Group's strategic objectives.

Liquidity risk is hedged with various financial instruments – bank loans, overdrafts, non-current loan and lease agreements and monitoring of receivables. To ensure efficient cash flow management,

the Group operates a cash pooling arrangement that enables subsidiaries to use the Group's shared financial resources within limits set by the Parent Company. Overdraft is used to finance working capital. Non-current loan or lease agreements are used for the acquisition of investments or construction.

As at the end of the financial year, the Group's available funds amounted to 1.5 (31.12.2024: 3.8) million euros and total liabilities to 69.2 (31.12.2024: 62.7) million euros. The current ratio and liquidity ratio of the Group were 1.3 and 0.9 in 2025 and 1.2 and 0.7 in 2024, respectively. The calculation of ratios is presented in the supplementary annexes to the annual report on [page 161](#).

Analysis of the Group's financial liabilities by maturity:

EUR '000	Note	<3 months	3-12 months	1-5 years	Total
31 December 2025					
Borrowings		4,009	12,028	14,649	30,686
Lease payables		126	378	1,006	1,510
Trade payables	12	14,287	0	0	14,287
Other liabilities	12	292	0	0	292
Total		18,714	12,406	15,655	46,775
31 December 2024					
Borrowings		2,737	8,072	21,432	32,241
Lease payables		98	295	989	1,382
Trade payables	12	12,894	0	0	12,894
Other liabilities	12	124	0	0	124
Total		15,853	8,367	22,421	46,641

Trade payables are settled according to the payment due date stated on the invoice, usually within 30–60 days.

25.4 Capital management

The Group's goal in capital management is to protect the Group's sustainability in order to ensure return to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure so as to reduce capital costs. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets for debt reduction.

In accordance with common practice, the Group monitors its capital management using the debt-to-capital ratio and the equity ratio. In the Group's assessment, the debt-to-capital ratio should remain within the range of 25%–30%. The debt-to-capital ratio is calculated as the ratio of net debt to total capital. Net debt is calculated by deducting cash and cash equivalents from total debt (current and non-current interest-bearing borrowings recognized in the consolidated statement of financial

position). Total capital is the sum of equity and net debt recognized in the consolidated statement of financial position. For calculation of the equity ratio, equity is divided by total assets.

In accordance with the laws of the country where the parent company is located, minimum requirements for equity limits of companies have been established. According to law, the company's equity capital must be at least one half of the share capital, but not less than 0.025 million euros. During the reporting period, the Group has complied with all statutory requirements relating to the amount of equity.

The Group's equity ratio:

EUR '000	Note	31.12.2025	31.12.2024
Interest-bearing borrowings	11	30,485	30,023
Cash and cash equivalents	2, 25.2	-1,545	-3,773
Net debt		28,940	26,250
Total equity		98,861	91,033
Total capital		127,801	117,283
Debt to capital ratio		22,6%	22,4%
Total assets		168,061	153,697
Equity ratio		58,8%	59,2%

25.5 Fair value measurement (IFRS 13, IFRS 7)

The Group divides assets and liabilities according to their fair value estimates at three different levels:

Level 1: Assets and liabilities valued using unadjusted price from the stock exchange or other active regulated market.

Level 2: Assets and liabilities valued using valuation techniques based on directly or indirectly observable inputs. This category includes, for example, financial instruments that are valued using the prices of similar instruments on an active regulated market or financial instruments that are revalued on the basis of the price of a regulated market but with low liquidity on the stock exchange. As at 31 December 2025 and 2024, the Group did not have any financial instruments at level 2.

Level 3: Assets and liabilities that are valued using non-observable inputs.

Cash and cash equivalents (Note 2), trade and other receivables (Note 3), trade payables and other current liabilities (Note 12) are current, therefore management considers their fair value to be close to the carrying amount.

The majority of Group's current and non-current borrowings are based on floating interest rates, which change according to the market interest rate. Management estimates that Group's risk rating has not changed considerably as compared to the inception of the borrowings, and Group's interest rates on borrowings correspond to the market. Fair value is determined using the discounted cash flow analysis, whereby future contractual cash flows are discounted at effective market interest rates, which are available to the Group from using similar financial instruments. Such financial instruments are classified at level 3.

Fair value of the financial instruments traded on active markets (listed securities, Note 6) is based on market prices at the balance sheet date and are therefore classified as level 1. The fair value of the unlisted financial instruments (Note 6) is determined by the management and is classified as level 3.

Additionally, the Group discloses the fair value of the investment properties in the Note 7, which is assessed at each balance sheet date based the fair value method at level 3.

26. Events after the reporting date

The Supervisory Board of AS Harju Elekter Group decided in January 2026 to increase the share capital of the Company by 34,020 euros in connection with the exercise of the option programme approved by the resolution of the general meeting in 2021. As part of the issue, a total of 54,000 new ordinary shares were issued at a price of 4.50 euros per share, of which five members of the Management Board subscribed for shares in the total amount of 243,000 euros. Following the increase, the share capital amounted to 11,705,255.10 euros and the Company has a total of 18,579,770 ordinary shares. All shares were fully subscribed by 5 January 2026. The new shares entitle their holders to dividends starting from the financial year 2025.

Management Board's Confirmation of the Consolidated Annual Report

The Management Board confirms that the 2025 consolidated annual report and financial statements of AS Harju Elekter Group gives a true and fair view of the financial position and financial performance of the Group consisting of the parent company and other consolidated entities as a whole in accordance with International Financial Reporting Standards as adopted by the European Union. AS Harju Elekter Group and its subsidiaries continue to operate.

23 March 2026

Tiit Atso / Signed digitally /
Chairman of the Management Board

Priit Treial / Signed digitally /
Member of the Management Board

Aron Kuhi-Thalfeldt / Signed digitally /
Member of the Management Board

Erko Lepa / Signed digitally /
Member of the Management Board

Tiit Luman / Signed digitally /
Member of the Management Board



Independent Auditor's Report

To the Shareholders of AS Harju Elekter Group

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of AS Harju Elekter Group (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 23 March 2026.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Aktsiaselts PricewaterhouseCoopers
Tatari 1, 10116 Tallinn, Estonia
License No. 6; Registry code: 10142876
+372 6141 800, ee_info@pwc.com

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports/>).



Independence

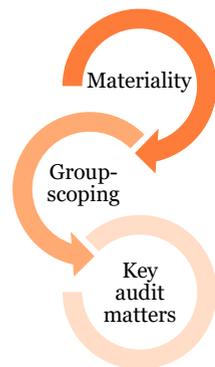
We are independent of the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 that are relevant to audits of financial statements of public interest entities, and Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation (EU) No 537/2014 and the Code of Ethics (Estonia).

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its subsidiaries within the European Union are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59¹ of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we provided to the Company and its subsidiaries in the period from 1 January 2025 to 31 December 2025 are disclosed in the management report.

Our audit approach

Overview



- Overall Group materiality is EUR 1,678 thousand, which represents approximately 1% of Group's consolidated revenue.
- A full scope audit was carried out by the Group audit team or under our supervision by other firms in the PwC network in all major Group companies, which accounted for 90% of the Group's assets and 97% of the Group's revenue. In addition, we performed additional audit procedures in the remaining insignificant subsidiaries.
- Revenue recognition

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>.)



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	EUR 1,687 thousand
How we determined it	Approximately 1% of Group's consolidated revenue
Rationale for the materiality benchmark applied	We have applied this benchmark, as we consider consolidated revenue to be a key performance indicator that determines the Group's value and is monitored by the Group's management, investors, analysts and creditors.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>).



Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Revenue recognition (for further information, refer to Notes 23 "Basis of preparation and significant accounting policies", 15 "Segment reporting" and 16 "Explanation of items in the profit and loss account").</p> <p>In 2025, the Group has recognised revenue of EUR 174 million. Revenue consists mainly of sales of electrical equipment in the amount of EUR 160 million and revenue from electrical works and other services in the amount of EUR 10 million.</p> <p>While majority of the Group's revenue transactions are non-complex, some judgment and management estimates are needed for accounting in certain areas, especially measuring the progress towards satisfaction of performance obligations of projects where revenue is recognised over time (mainly applicable to production of specific electrotechnical equipment and delivery of electrical works).</p> <p>To measure the progress, the management assesses at each balance sheet date both the additional costs required to complete the contract as well as possible changes in the contract fee.</p> <p>Revenue recognition requires significant time and resource to audit due to its magnitude and is therefore considered to be a key audit matter.</p>	<p>When auditing revenue recognition we performed the following tests:</p> <ul style="list-style-type: none"> • We obtained an understanding of the sales process and evaluated the effectiveness of the control environment and procedures. • We assessed if the Group had appropriately applied the guidance in the revenue recognition standard IFRS 15, including for revenue recognised over time. • We obtained confirmation letters from the largest as well from selection of the rest of the customers for both period revenue and year-end receivable balance. • We assessed the correctness of revenue bookings by agreeing selected transactions in the accounting systems to supporting evidence, such as invoices, agreements, orders and subsequent cash receipts. • For revenue recognised over time, we examined the procedures and significant management estimates to ensure that revenue recognised corresponds to the selected underlying agreements and the completion rate of the project. In addition, we examined whether all conditions to recognise revenue were met. • We obtained the list of journal entries impacting revenue and checked the underlying supporting evidence of entries selected based on our risk assessment. • We applied the principles of unpredictability in the implementation and execution of our audit procedures over revenue recognition. • We examined the correctness and sufficiency of the information disclosed in the financial statements about recognition of revenue.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>.)



How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group has a number of subsidiaries, which are disclosed in Note 21 to the financial statements. A full scope audit was performed by us (AS Harju Elekter Group and AS Harju Elekter) or under our instruction by other firms in the PwC network (Harju Elekter Oy, Harju Elekter AB, Harju Elekter UAB) at Group entities covering 90% of the Group's assets and 97% of the Group's revenue. The remaining Group entities were immaterial and, accordingly, we performed selected audit procedures on them that related to certain balances or disclosures.

Where the work was performed component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group's financial statements as a whole.

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises Statement of the Chairman of the Management Board, the Management Report (including the Consolidated Sustainability Statement), Corporate Governance Report, the Remuneration Report, Profit Allocation Proposal and Supplementary Annexes (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information, including the Management report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared (excluding the Consolidated Sustainability Statement) in accordance with the requirements of the Accounting Act of the Republic of Estonia.

In accordance with the Securities Market Act of the Republic of Estonia with respect to the Remuneration Report, our responsibility is to consider whether the Remuneration Report includes the information in accordance with the requirements of Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>).



Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements;
- the Management report (excluding the Consolidated Sustainability Statement) has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia; and
- the Remuneration Report has been prepared in accordance with Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report or in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>.)



As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>.)



Report on other legal and regulatory requirements

Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format (“ESEF”)

We have been engaged based on our agreement by the Management Board of the Parent Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of AS Harju Elekter Group for the year ended 31 December 2025 (the “Presentation of the Consolidated Financial Statements”).

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and those charged with governance

The Management Board of the Parent Company is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor’s report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>.)



We conducted our engagement in accordance with the International Standard on Assurance Engagements (Estonia) 3000 (revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" (ISAE (EE) 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE (EE) 3000 (revised) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>).



Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Appointment and period of our audit engagement

We were first appointed as auditors of AS Harju Elekter Group, as a public interest entity, on 3 May 2018 for the financial year ended 31 December 2018. Our appointment has been renewed by tenders and shareholder resolutions in the intermediate years, representing the total period of our uninterrupted engagement appointment for AS Harju Elekter Group, as a public interest entity, of 8 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of AS Harju Elekter Group can be extended for up to the financial year ending 31 December 2037.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Jüri Koltsov
Certified auditor in charge, auditor's certificate no. 623

23 March 2026
Tallinn, Estonia

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: <https://nasdaqbaltic.com/statistics/et/instrument/EE3100004250/reports>.)



Independent practitioner’s limited assurance report on AS Harju Elekter Group Consolidated Sustainability Statement

To the shareholders of AS Harju Elekter Group

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of AS Harju Elekter Group (the “Company”), included in chapter Consolidated Sustainability Statement 2025 of the Management Report 2025 (the “Consolidated Sustainability Statement”), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the “Process”) is in accordance with the description set out in note Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1); and
- compliance of the disclosures in subsection Taxonomy of sustainable economic activities in the European Union within the Environmental Information section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Aktsiaselts PricewaterhouseCoopers
Tatari 1, 10116 Tallinn, Estonia
License No 6; Registry code: 10142876
+372 6141 800, ee_info@pwc.com

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* (“ISAE (EE) 3000 (Revised)”) as adopted by Auditing Activities Oversight Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner’s responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) (Code of Ethics (Estonia)) as adopted by Auditing Activities Oversight Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management (Estonia) 1 (revised), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Consolidated Sustainability Statement

Management Board of the Company is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1) of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



- making assumptions that are reasonable in the circumstances.

Management Board of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection Taxonomy of sustainable economic activities in the European Union within the Environmental Information section of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Management Board determines is necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Consolidated Sustainability Statement

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In reporting forward-looking information in accordance with the ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



As part of a limited assurance engagement in accordance with ISAE (EE) 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in note Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1).

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in note Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1).

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
 - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
 - obtaining an understanding of the roles and responsibilities in the preparation of the Consolidated Sustainability Statement, including communication within the Group and between the Management Board and those charged with governance.
- evaluated whether the information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the Consolidated Sustainability Statement;
- where applicable, compared disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and Management Report 2025;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Janno Hermanson
Certified auditor in charge, auditor's certificate no. 570

23 March 2026
Tallinn, Estonia

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Profit Allocation Proposal

Retained earnings attributable to equity holders of AS Harju Elekter Group:

	EUR
Retained earnings for prior periods as at 31 December 2025	50,598,483
Net profit for 2025	10,784,383
Total distributable profit as at 31 December 2025	61,382,866

The Management Board proposes to distribute profit as follows:

	EUR
As dividends (0.25 euros per share)	4,644,943
Balance of retained earnings after profit distribution	56,737,924

Tiit Atso

/ Signed digitally /

23 March 2026

Chairman of the Management Board

Supplementary Annexes

Formulas to calculate ratios

Formulas used to calculate the ratios set out on pages 67 and 86:

Equity ratio	= Average Equity (attributable to owners of the Parent company) / Average assets * 100
Gross profit margin	= Gross profit / Revenue * 100
Operating margin	= Operating profit / Revenue * 100
Net margin	= Net profit (attributable to owners of the parent company) / Revenue * 100
Return of assets (ROA)	= Net profit (attributable to owners of the parent company) / Average assets * 100
Return of Capital Employed	= EBIT/(total assets-total current liabilities)* 100
Return of equity (ROE)	= Net profit (attributable to owners of the parent company) / Average equity (attributable to owners of the parent company) * 100
Equity per share	= Equity (average, attributable to owners of the parent company) / Number of shares (average of the period)
Earnings per share	= Net profit (attributable to owners of the parent company) / Average number of shares
P/E ratio	= Share closing price/Earnings per share
Current ratio	= Average current assets / Average current liabilities
Liquidity ratio	= Average liquid assets (current assets - inventories) / Current liabilities (average)
Company's market capitalization (million)	= Closing price * Number of shares
Dividend rate %	= Dividend per share / Closing price
Dividend / net profit %	= Dividend per share / Net profit (attributable to owners of the parent company)

