



# CONSOLIDATED UNAUDITED INTERIM REPORT FOR THE II QUARTER AND 6 MONTHS OF 2025

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**Auditor:**

AS PricewaterhouseCoopers

**Financial year:**

1 January – 31 December 2025

**Reporting period:**

1 January – 30 June 2025



Electrifying **Tomorrow**

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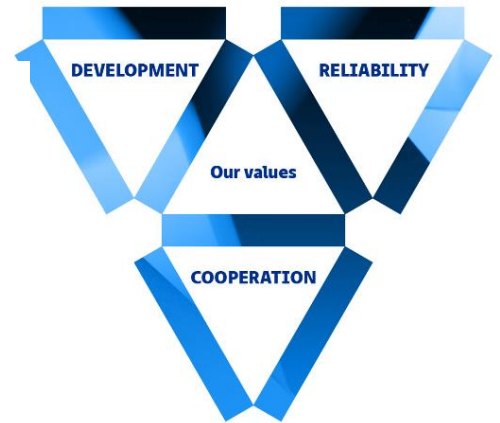
# HARJU ELEKTER GROUP

## Who we are

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

## What we do

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



## AS HARJU ELEKTER GROUP

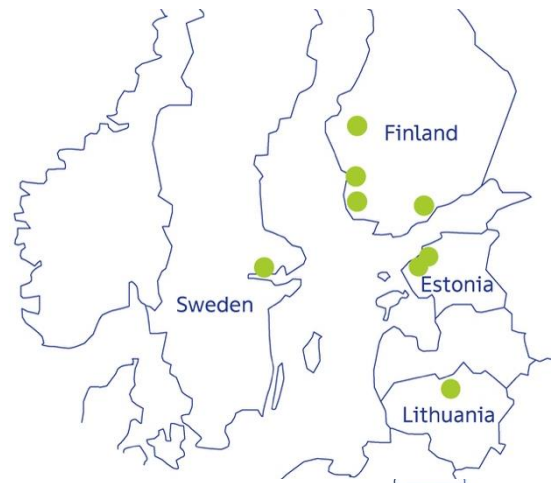
The Parent company of the Group coordinates co-operation within the Group’s companies and manages the development and holdings of industrial real estate. AS Harju Elekter Group's share in its subsidiaries is 100%

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

### ESTONIA

**OÜ SKELETON TECHNOLOGIES GROUP**  
(5.45%)

Developer and manufacturer of ultra-capacitors

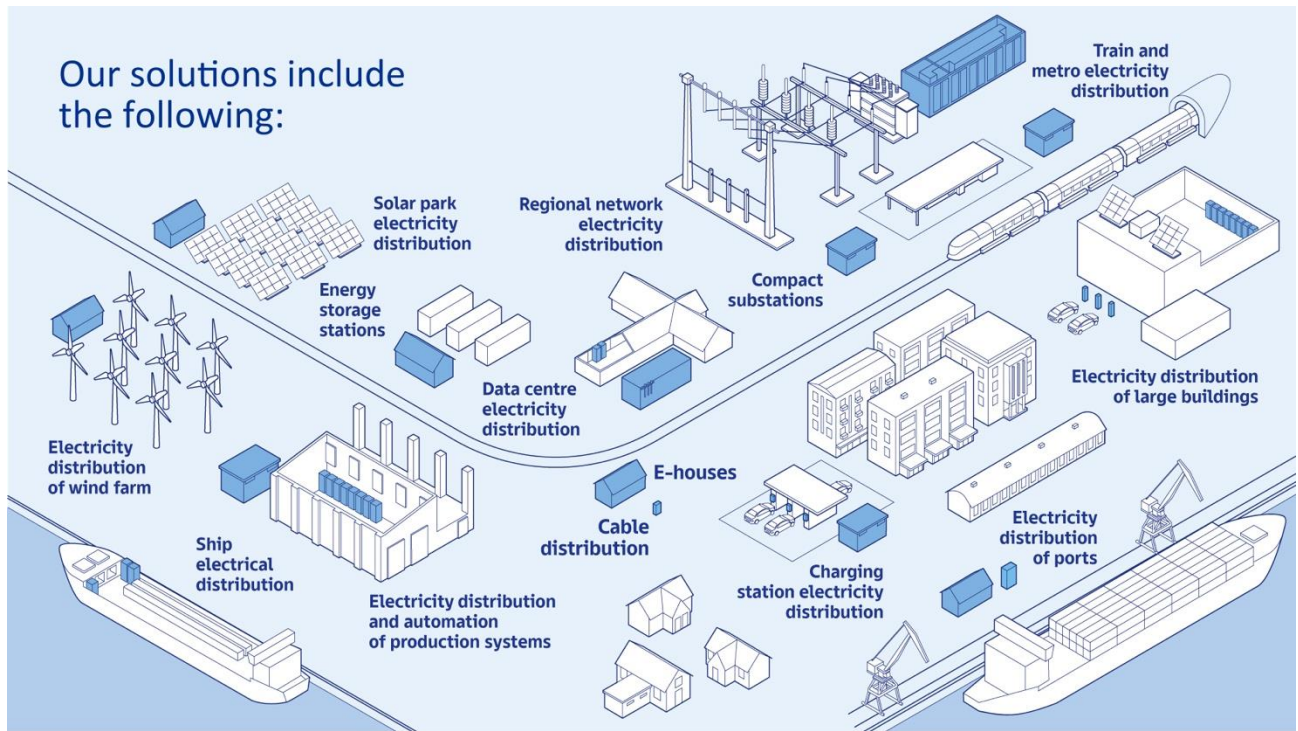


The Harju Elekter Group operates in two main areas, which are presented as separate segments.

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

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

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



# MANAGEMENT REPORT

## COMMENTARY FROM THE MANAGEMENT

The second quarter and first half of 2025 were successful for the Harju Elekter in terms of results. Although we have seen a decline in revenue compared to previous periods, we have continued to improve profitability — a long-term strategic goal of the Group.

The Estonian production unit delivered the strongest performance in the first half-year, supported by continued high demand for substation solutions for distribution networks as well as for more complex E-house type solutions used in data centres. A notable result was also achieved by the Finnish subsidiary Telesilta OY, which specialises in the design and installation of electrical solutions for the shipbuilding industry.

While the results of the Lithuanian, Finnish, and Swedish production units were more modest, the growth in order books in these units indicates increased customer interest and readiness to launch new projects — a development expected to have a positive impact in the second half of the year and into 2026. Although interest in industrial automation and energy efficiency solutions has remained stable or grown, the industrial sector as a whole remains under pressure — primarily due to high input prices and weak export performance, both of which continue to affect our key target markets where investment activity has been cautious.

Overall, we expect strong financial results for the full year 2025. This outlook is supported by declining interest rates, which have improved the investment climate and contributed to a more active economic environment.

In April, AS Harju Elekter Group's Finnish subsidiary Harju Elekter OY exited a financial investment by divesting a 9.15% stake in IGL Technologies OY, a leading Finnish developer and operator of parking and e-mobility solutions. This move aligns with the Group's strategy to focus on core operations and direct more resources toward product development and innovation — particularly the development of next-generation chargers that meet the growing demand for sustainable and smart energy solutions.

## SUMMARY OF THE SECOND QUARTER AND 6 MONTH RESULTS

### Revenue and financial results

The Group earned revenue of 46.1 (Q2 2024: 56.8) million euros in the second quarter of 2025, which is 18.9% less than in the previous year. Gross profit decreased to 7.4 (Q2 2024: 8.2) million euros, but the gross margin improved to 16.1% (Q2 2024: 14.4%). The improvement in the margin was supported by more efficient cost control. Operating profit (EBIT) for the quarter was 3.6 (Q2 2024: 4.4) million euros, and the operating margin remained at the same level as in the same period last year – 7.8% (Q2 2024: 7.8%). Net profit was 2.6 (Q2 2024: 3.5) million euros, being close to the result of the first quarter. Earnings per share for the quarter were 0.14 (Q2 2024: 0.19) euros.

In the first six months, the Group earned total revenue of 83.5 (6M 2024: 103.6) million euros. Despite the decline in sales, gross profit remained stable at 13.1 (6M 2024: 13.0) million euros and the margin improved to 15.7% (6M 2024: 12.6%). Operating profit grew to 6.4 (6M 2024: 5.4) million euros and the operating margin increased to 7.6% (6M 2024: 5.2%). In addition to improved cost-efficiency, favorable currency exchange movements in the first quarter contributed significantly to the result. Net profit for the six-month period was 5.3 (6M 2024: 3.8) million euros and earnings per share were 0.28 (6M 2024: 0.21) euros.

### Investments

The Group invested a total of 1.9 (6M 2024: 1.5) million euros in non-current assets during the reporting period, including 0.2 (6M 2024: 0.7) million euros in investment properties, 0.8 (6M 2024: 0.4) million euros in property, plant, and equipment, and 0.9 (6M 2024: 0.4) million euros in intangible assets. The investments were aimed at acquiring production technology assets and developing production and process management systems. Investments also included product development activities focusing on the creation of new and improved products.

As of the reporting date, the value of the Group's long-term financial investments was 27.2 (31.12.24: 27.7) million euros. Proceeds from the disposal of the 9.15% stake in IGL-Technologies Oy amounted to 0.9 million euros in the reporting quarter, with a realized gain of 0.4 million euros. The gain was recognized through other comprehensive income.

At the end of the reporting period, property, plant, and equipment accounted for 57.4% of total assets, amounting to 97.8 (31.12.24: 64.0% or 98.4) million euros.

#### Current assets

The Group's current assets increased by 17.4 million euros in the first half of the year, reaching 72.7 million euros. The cash balance decreased by 0.9 million euros, mainly due to investments in non-current assets, loan repayments, and dividend payments in the amount of 2.8 million euros. Trade and other receivables increased by 13.0 million euros, reaching 42.6 million euros. Inventories increased by 5.3 million euros, reaching 25.1 million euros. During the reporting quarter, the balance of materials and components decreased, while the balance of work-in-progress and finished goods increased. Compared to the same period last year, total inventories decreased by 12.6%, or by 3.6 million euros.

#### Liabilities

As of the reporting date, the Group had total liabilities of 76.9 (31.12.24: 62.7 and 30.06.24: 86.8) million euros, of which the short-term portion accounted for 74% (31.12.24: 68%). Over the year, current liabilities decreased by 6.6 million euros, but in the first half of 2025, they increased by 14.5 million euros due to seasonality. Within current liabilities, customer prepayments increased by 5.3 million euros and trade and other payables increased by 8.8 million euros.

The total amount of non-current liabilities as of the reporting date was 20.0 million euros, remaining at the same level compared to the end of the previous year, but 3.3 million euros lower than at the end of the second quarter of the previous year. Current and non-current borrowings were 9.6 (31.12.24: 9.9) and 19.9 (31.12.24: 20.2) million euros, respectively. Long-term loans and leases were used to finance real estate investments, construction of the Group's production buildings, and acquisition of automated production equipment.

#### Cash Flows

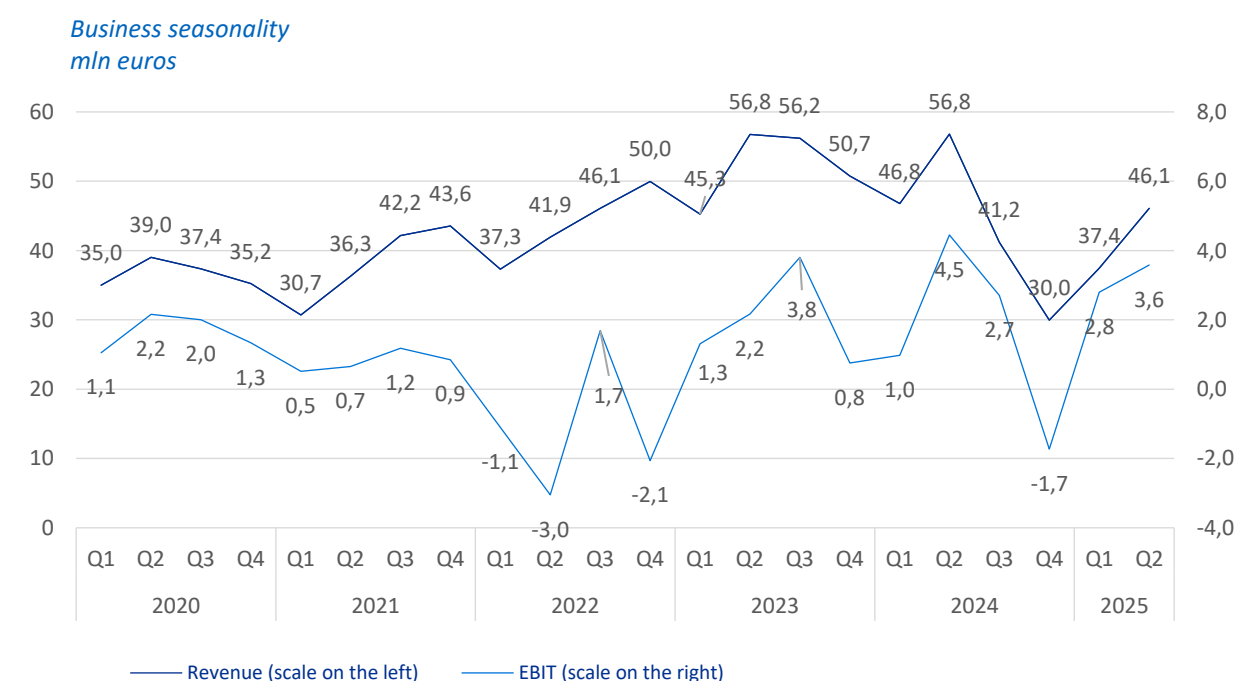
In the first half of 2025, the Group's operating cash flow amounted to 4.1 (6M 2024: 4.9) million euros, with the second quarter contributing 5.7 (Q2 2024: 7.0) million euros. The company's focus was on the completion of products and the realization of revenue.

Cash flows from investing activities amounted to 0.2 million euros for the quarter and 0.9 million euros for the half-year period. Investments focused on the acquisition of investment properties and property, plant, and equipment and intangible assets, totaling 1.9 million euros. At the same time, proceeds from the disposal of financial investments amounted to 0.9 million euros in the reporting quarter.

Cash flows from financing activities were mainly influenced by dividend payments, loan repayments, and lease payments. On May 28, dividends in the amount of 2.8 (Q2 2024: 2.5) million euros were paid for the year 2024. During the reporting quarter, repayments of short- and long-term loans (including overdrafts) totaled 1.1 (Q2 2024: -4.7) million euros. In the first half of the year, total loan repayments amounted to 1.6 (6M 2024: -2.7) million euros, while the overdraft loan balance increased by 1.7 million euros. Factoring liabilities decreased by 0.2 (Q2 2024: -0.4) million euros during the quarter and by 0.9 (6M 2024: 0.7) million euros in the six-month period. Cash flows from financing activities totaled -4.1 (Q2 2024: -7.8) million euros in the second quarter and -3.6 (6M 2024: -4.8) million euros in the first half of the year.

Overall, the Group's cash flows in the second quarter amounted to 0.2 (Q2 2024: 1.5) million euros and -0.6 (6M 2024: 0.2) million euros in the first half of the year.

Key indicators (EUR'000)	Q2	Q2	+/-	6M	6M	+/-
	2025	2024		2025	2024	
Revenue	46,071	56,801	-18.9%	83,497	103,577	-19.4%
Gross profit	7,436	8,172	-9.0%	13,103	13,008	0.7%
EBITDA	4,658	5,450	-14.5%	8,524	7,389	15.3%
Operating profit (EBIT)	3,585	4,450	-19.4%	6,380	5,425	17.6%
Profit for the period	2,628	3,467	-24.2%	5,263	3,827	37.5%
Earnings per share (EPS) (euros)	0.14	0.19	-26.3%	0.28	0.21	33.3%
	<b>30.06.25</b>	<b>30.06.24</b>	+/-	<b>30.06.25</b>	<b>31.12.24</b>	+/-
Total current assets	72,707	80,205	-9.3%	72,707	55,320	31.4%
Total non-current assets	97,776	98,189	-0.4%	97,776	98,377	-0.6%
Total assets	170,483	178,394	-4.4%	170,483	153,697	10.9%
Total liabilities	76,858	86,781	-11.4%	76,858	62,664	22.7%
	<b>30.06.25</b>	<b>31.03.25</b>	+/-	<b>30.06.25</b>	<b>31.12.24</b>	+/-
Equity ratio (equity / total assets) (%)	54.9	55.4	-0.5	54.9	59.2	-4.3
Current ratio (current assets / current liabilities)	1.3	1.3	0.0	1.3	1.3	0.0
Debt ratio (total liabilities/ total assets)	0.5	0.4	0.1	0.5	0.4	0.1
Quick ratio ((current assets - inventories) / current liabilities)	0.8	0.8	0.0	0.8	0.8	0.0



## SUPERVISORY, AUDIT COMMITTEE AND MANAGEMENT BOARDS

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

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

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

## CHANGES IN THE STRUCTURE OF THE GROUP

### Changes in the management

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

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

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

### Harju Elekter’s risks are divided into



**Environment**



**Employees**



**Business ethics**



**Regulations and  
legislation**



**Information  
technology**



**Emergencies**



**Supply chain**



**Financial risks**



**Corporate  
governance**



## MAIN EVENTS

### President Alar Karis visited the company

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



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

In April, AS Harju Elekter Group's Finnish subsidiary Harju Elekter OY signed an agreement to divest its 9.15% stake in IGL Technologies OY, a leading Finnish developer and operator of parking and e-mobility solutions. Harju Elekter and IGL Technologies will continue their partnership even after the divestment.

### The Estonian Embassy in Lithuania visited Harju Elekter UAB-d

In April, the Estonian Ambassador in Lithuania, Kaili Terras, visited Harju Elekter's Lithuanian manufacturing unit, Harju Elekter UAB. The visit highlighted the strength of economic relations between Estonia and Lithuania, as well as the role of Harju Elekter as an Estonian capital-based company in the Lithuanian industrial landscape. During the meeting, cooperation opportunities were discussed, views on sector developments were exchanged, and the good relations between the two countries were reaffirmed.



### Annual General Meeting of Shareholders

On April 24, 2025, the annual general meeting of shareholders of AS Harju Elekter Group was held, during which the financial statements for the 2024 financial year and the profit distribution proposal were approved. The company's registered office was changed by an amendment to the articles of association, and the principles of remuneration for the members of the management board were confirmed. It was decided to pay dividends to shareholders for the year 2024 in the amount of 0.15 euros per share, totaling 2.7 million euros. The dividends were credited to the shareholders' bank accounts on May 28, 2025. The general meeting was attended by 62 shareholders and their authorized representatives, representing a total of 11,354,961 votes, which accounted for 61.38% of the total number of votes.

## EVENTS AFTER THE REPORTING DATE

### Increase of Share Capital

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. A total of four current and former employees of Harju Elekter participated in the share issue related to the implementation of the option program, who subscribed for a total of 27,000 shares. The shares issued in connection with the share capital increase carry the right to receive dividends for the financial year starting on January 1, 2025. After the share capital increase, Harju Elekter holds a total of 18,525,770 ordinary shares without nominal value, and the share capital amounts to 11,671,235.10 euros.

## OPERATING RESULTS

### Revenue

Revenue by business activities (EUR'000)	Q2 2025	Q2 2024	+/-	6M 2025	6M 2024	+/-	% 6M 2025	% 6M 2024
Electrical equipment	43,193	53,386	-19.1%	77,287	96,858	-20.2%	92.6%	93.5%
Lease income	1,161	1,138	2.0%	2,323	2,275	2.1%	2.8%	2.2%
Electrical works	1,313	1,224	7.3%	2,759	2,274	21.3%	3.3%	1.5%
Other services	404	1,053	-61.6%	1,128	2,170	-48.0%	1.3%	2.8%
<b>Total</b>	<b>46,071</b>	<b>56,801</b>	<b>-18.9%</b>	<b>83,497</b>	<b>103,577</b>	<b>-19.4%</b>	<b>100.0%</b>	<b>100.0%</b>

The Group's revenue decreased by 19% compared to the same period last year – both in quarterly and half-year comparisons. The revenue for the reporting quarter was 46.1 (Q2 2024: 56.8) million euros, and total revenue for the first half of the year was 83.5 (6M 2024: 103.6) million euros. Although the decline was noticeable compared to the record sales volumes of the past two years, the revenue remained at a good level considering seasonality and is comparable to the more stable in earlier years.

The revenue from the sale of electrical equipment amounted to 43.2 million euros in the quarter, or 93.8% of total revenue, decreasing by 19.1% compared to the same period last year. In the half-year view, revenue from the same business activities declined by 20.2%, amounting to 77.3 million euros. Given the large share of this segment in the Group's total revenue, the decline was clearly reflected in the Group's overall results. The main product and service groups continued to be substations, low-voltage distribution equipment, technical buildings, and subcontracting and engineering services. The decrease in revenue was primarily influenced by the temporary decline in demand and order volumes in the Scandinavian target markets.

The lease income of the real estate segment remained at the same level as in the previous year – 1.1 (Q2 2024: 1.1) million euros in the quarter, accounting for 2.5% (Q2 2024: 2.0%) of the Group's total revenue. There was no change in the half-year comparison either: rental income amounted to 2.3 (6M 2024: 2.3) million euros. Although this is a smaller business area in terms of volume, it continues to provide a stable and important source of income for the Group.

The electrical works in shipbuilding had a moderately positive impact, with revenue increasing by 7.3% in the second quarter comparison and by 21.3% in the half-year view. In the reporting quarter, revenue from this activity amounted to 1.3 (Q2 2024: 1.2) million euros, and to 2.8 (6M 2024: 2.3) million euros over the six-month period.

Revenue by segment (EUR'000)	Q2 2025	Q2 2024	+/-	6M 2025	6M 2024	+/-	% 6M 2025	% 6M 2024
Production	43,446	54,279	-20.0%	77,993	98,684	-21.0%	93.4%	95.3%
Real Estate	1,311	1,290	1.6%	2,745	2,610	5.2%	3.3%	2.5%
Other activities	1,314	1,232	6.7%	2,759	2,283	20.8%	3.3%	2.2%
<b>Total</b>	<b>46,071</b>	<b>56,801</b>	<b>-18.9%</b>	<b>83,497</b>	<b>103,577</b>	<b>-19.4%</b>	<b>100.0%</b>	<b>100.0%</b>

In the Group's core segment – production – revenue decreased by 20% in the quarterly comparison and by 21% in the half-year view. The decline was mainly influenced by seasonality and a temporary cooling of demand. In addition, the broader production segment has been affected by the overall slowdown in the European industrial sector. Production accounted for 94.3% (Q2 2024: 95.5%) of the Group's total revenue in the reporting quarter.

The revenue of the real estate segment grew moderately in both the quarterly and half-year comparisons. In the second quarter, revenue amounted to 1.3 (Q2 2024: 1.3) million euros and reached 2.7 (6M 2024: 2.6) million euros over the six-month period. This represented 2.8% (Q2 2024: 2.3%) of the Group's total revenue in the quarter. The real estate unit operates in the development, project management, and leasing of industrial properties, and provides related support services. The growth was driven by stable rental activities and the realization of certain project-based revenues.

The revenue from other activities increased by 6.7% in the second quarter comparison and by 20.8% over the six-month period, reaching 1.3 (Q2 2024: 1.2) and 2.8 (6M 2024: 2.3) million euros respectively. The growth was mainly supported by an increase in the volume of electrical works within shipbuilding. Other activities accounted for 2.9% (Q2 2024: 2.2%) of the Group's total revenue in the reporting quarter.

Revenue by markets (EUR '000)	Q2 2025	Q2 2024	+/-	6M 2025	6M 2024	+/-	% 6M 2025	% 6M 2024
Estonia	7,014	6,910	1.5%	11,813	11,379	3.8%	14.1%	11.0%
Finland	13,804	20,565	-32.9%	26,683	37,543	-28.9%	32.0%	36.2%
Sweden	5,228	8,715	-40.0%	10,162	15,616	-34.9%	12.2%	15.1%
Norway	10,614	7,979	33.0%	17,499	17,304	1.1%	21.0%	16.7%
Germany	4,703	3,655	28.7%	11,223	5,877	91.0%	13.4%	5.7%
Netherlands	2,562	1,461	75.4%	3,382	2,505	35.0%	4.1%	2.4%
Other	2,146	7,516	-71.4%	2,735	13,353	-79.5%	3.2%	12.9%
<b>Total</b>	<b>46,071</b>	<b>56,801</b>	<b>-18.9%</b>	<b>83,497</b>	<b>103,577</b>	<b>-19.4%</b>	<b>100.0%</b>	<b>100.0%</b>

The Group's revenue for the second quarter and first half of 2025 reflected a continued downward trend in the Scandinavian core markets compared to the same period in the previous year. The four largest target markets – Estonia, Finland, Sweden, and Norway – accounted for a total of 80% of the Group's quarterly revenue, which is 2 percentage points less than a year earlier. Of these, revenue increased in Norway and moderately also in Estonia.

In Estonia, revenue reached 7.0 (Q2 2024: 6.9) million euros in the reporting quarter, marking the highest second-quarter result on the home market to date. Revenue for the first half of the year amounted to 11.8 (6M 2024: 11.4) million euros. The growth was primarily supported by the volume of compact substation orders from electricity distribution network customers, as well as stable rental income from the real estate segment. Estonia's share of the Group's total quarterly revenue rose to 15.2% (Q2 2024: 12.2%).

Finland remained the largest market in the quarter; however, it also experienced the most significant decline – quarterly revenue decreased by 32.9%, and in the half-year view, by 28.9%. Revenue amounted to 13.8 (Q2 2024: 20.6) million euros in the quarter and 26.7 (6M 2024: 37.5) million euros for the half-year. The main reasons for the decline were a lower sales volume of compact substations and the reduction in contractual manufacturing volumes. Finland's share of total quarterly revenue decreased to 30.0% (Q2 2024: 36.2%).

Revenue in the Swedish market also declined – by 40.0% in the quarterly comparison and by 34.9% in the half-year view. Revenue amounted to 5.2 (Q2 2024: 8.7) million euros in the quarter and 10.2 (6M 2024: 15.6) million euros in the six-month period. The decline was a result of a strategic shift in the business model – the offering of turnkey (EPC) projects was discontinued, and the focus shifted to standardized factory-made products. This led to a temporary reduction in volume but helped reduce business risks. Sweden's share of quarterly revenue fell to 11.3% (Q2 2024: 15.3%).

Norway stood out among the Scandinavian markets with positive growth: quarterly revenue increased by 33%, reaching 10.6 (Q2 2024: 8.0) million euros. For the first half of the year, revenue was 17.5 (6M 2024: 17.3) million euros, remaining essentially on the same level as the previous year. The difference in the quarterly comparison was mainly due to the fact that part of the orders signed in 2024 were realized in the second quarter of 2025, resulting in a more modest revenue figure in the first quarter. Looking at a longer time frame, Norway's first-half revenue has remained significantly higher over the past two years compared to earlier periods. As a result, the country's share of the Group's total quarterly revenue increased substantially – to 23.0% (Q2 2024: 14.0%).

The German market showed notably strong growth – increasing by 28.7% in the quarterly comparison and doubling in the half-year view. Revenue amounted to 4.7 (Q2 2024: 3.7) million euros in the quarter and 11.2 (6M 2024: 5.9) million euros over the six-month period. The strong growth was driven by increased project-based orders in the substation product group. Germany's share of total quarterly revenue rose to 10.2% (Q2 2024: 6.4%).

Revenue from the Netherlands also increased, reaching 2.6 (Q2 2024: 1.5) million euros in the quarter and 3.4 (6M 2024: 2.5) million euros in the half-year. Revenue from other smaller target markets was lower compared to the previous year – totaling 2.1 (Q2 2024: 7.5) million euros in the quarter and 2.7 (6M 2024: 13.4) million euros in the six-month period. The previous year's result included a significant contribution from the US market, where no sales occurred in 2025.

## Operating expenses

<i>(EUR '000)</i>	Q2 2025	Q2 2024	+/-	6M 2025	6M 2024	+/-	% 6M 2025	% 6M 2024
Cost of sales	38,635	48,629	-20.6%	70,395	90,569	-22.3%	90.2%	92.6%
Distribution costs	1,395	1,328	5.0%	2,681	2,524	6.2%	3.4%	2.6%
Administrative expenses	2,366	2,227	6.2%	4,945	4,744	4.2%	6.4%	4.8%
<b>Total operating expenses</b>	<b>42,396</b>	<b>52,184</b>	<b>-18.8%</b>	<b>78,020</b>	<b>97,837</b>	<b>-20.3%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>incl. depreciation, amortization</i>	<i>1,073</i>	<i>1,000</i>	<i>7.3%</i>	<i>2,144</i>	<i>1,964</i>	<i>9.2%</i>	<i>2.7%</i>	<i>2.0%</i>
<i>incl. total labour cost</i>	<i>10,118</i>	<i>10,568</i>	<i>-4.3%</i>	<i>19,649</i>	<i>20,619</i>	<i>-4.7%</i>	<i>25.2%</i>	<i>21.1%</i>
<i>incl. inclusive salary cost</i>	<i>7,294</i>	<i>8,318</i>	<i>-12.3%</i>	<i>14,643</i>	<i>16,494</i>	<i>-11.2%</i>	<i>18.8%</i>	<i>16.9%</i>

In the second quarter, the Group continued to adjust its cost structure in line with changes in order volumes and market conditions. Total operating expenses decreased by 18.8% compared to the same period in the previous year, amounting to 42.4 (Q2 2024: 52.2) million euros. A similar reduction continued in the six-month comparison, where total expenses fell by 20.3%, reaching 78.0 (6M 2024: 97.8) million euros.

The significant decline in expenses in both periods was primarily driven by lower order volumes, optimization of production processes, and more efficient supply chain management, which together resulted in a substantial reduction in the cost of sales — by 10.0 million euros in the second quarter and 20.2 million euros over the six-month period. These measures supported improved profitability, as the gross profit margin increased by 1.7 percentage points in the quarter to 16.1%, and by 3.1 percentage point in the half-year to 15.7%.

Distribution and administrative expenses increased slightly in both the second quarter and the first half-year — each by 0.1 million euros on a quarterly basis, reaching 2.4 and 1.4 million euros respectively, and by 0.2 million euros over six months, totaling 2.7 and 4.9 million euros. This increase was necessary to support revenue stability, strengthen customer relationships, and secure new contracts. Improved marketing and sales efforts help the company maintain visibility in a competitive environment.

Labour costs decreased by 0.5 million euros in the second quarter, amounting to 10.1 million euros. Over the six-month period, labour costs declined by 1.0 million euros to 19.6 million euros. The savings primarily resulted from a reduced headcount in Finland and Lithuania. Despite the nominal decrease, the share of labour costs in revenue increased by 3.4 percentage points to 22.0% in the quarter, as the decline in revenue exceeded the reduction in labour costs. The average monthly salary was 2,949 (6M 2024: 2,890) euros.

## PERSONNEL

During the reporting quarter, the implementation of follow-up actions agreed upon based on the results of the employee satisfaction survey continued, with the goal of improving organisational culture and working conditions. Significant progress was made in enhancing recruitment tools, and preparations began for the introduction of a training registry system.

On 1 May, a new occupational safety system called VITS was launched at the Lithuanian factory. The system centralises information about accidents, near misses, and safety measures, providing a unified platform for managing workplace safety.

In addition to forward-looking initiatives, the Group continues to focus on inspiring future talent and promoting interest in technical careers. School visits remain an ongoing activity, offering young students an opportunity to explore production processes and gain firsthand experience of modern industrial environments.

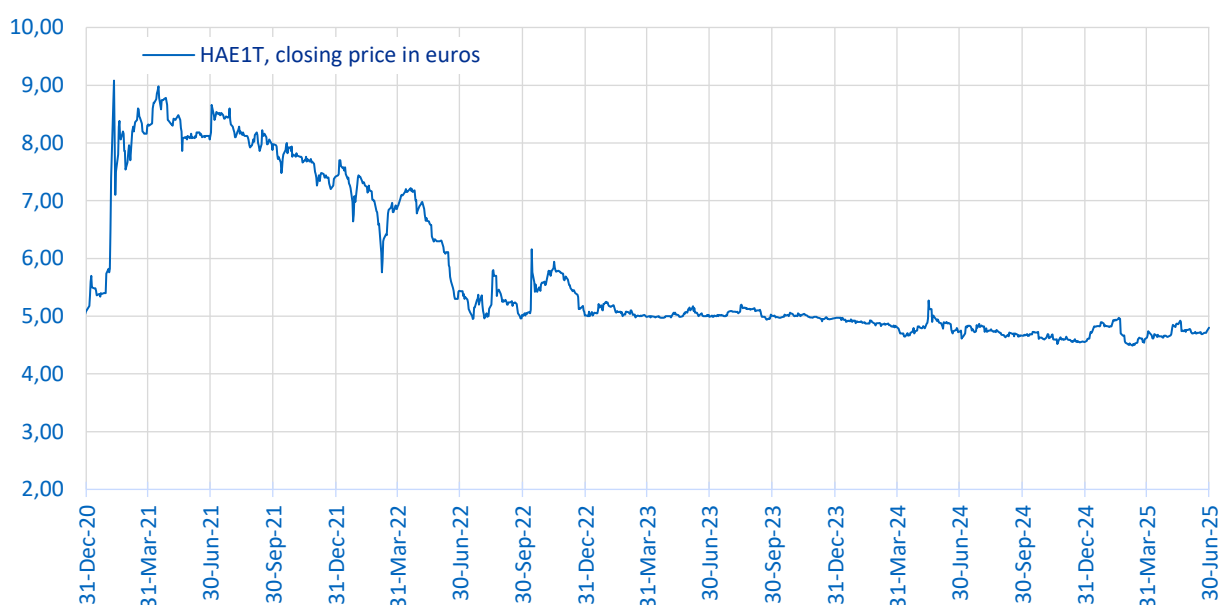
At the end of the reporting period, the Group employed a total of 846 people, which is 67 fewer than a year earlier. The average number of employees during the quarter was 814, showing a decrease compared to the same period last year.

	Average number of employees				Numbers of employees			Proportion	
	Q2 2025	Q2 2024	6M 2025	6M 2024	30.06.25	30.06.24	+/-	% 30.06.25	% 30.06.24
Estonia	306	346	301	341	311	309	2	36.8%	33.9%
Finland	171	227	179	221	195	234	-39	23.0%	25.6%
Lithuania	282	328	287	342	281	318	-37	33.2%	34.8%
Sweden	55	48	61	48	59	52	7	7.0%	5.7%
<b>Total</b>	<b>814</b>	<b>949</b>	<b>828</b>	<b>952</b>	<b>846</b>	<b>913</b>	<b>-67</b>	<b>100.0%</b>	<b>100.0%</b>

## SHARES AND SHAREHOLDERS

Security trading history	6M 2025	2024	2023	2022	2021
Opening price (euros)	4.58	4.97	5.01	7.44	5.24
Highest price (euros)	4.99	5.33	5.31	7.74	10.50
Lowest price (euros)	4.00	4.20	4.90	4.85	5.20
Closing price (euros)	4.81	4.575	4.97	5.01	7.44
Traded shares (pcs)	413,332	751,657	1,154,685	929,491	2,048,865
Turnover (in million euros)	1.95	3.59	5.82	5.60	15.85
Capitalisation (in million euros)	88.98	84.63	91.94	91.63	134.06
Average number of the shares (pcs)	18,498,770	18,498,770	18,355,774	18,134,463	17,855,220
EPS (euros)	0.14	0.17	0.28	-0.31	0.15

Price of AS Harju Elekter Group's share (in euros) on Nasdaq Tallinn Stock Exchange between 31 December 2020–30 June 2025 (Nasdaq Tallinn, <http://www.nasdaqbaltic.com/>)



Division of shareholders by size of holding and list of shareholders with more than 10% holding as of 30 June 2025 :

Holding	No of shareholders	% of all shareholders	% of votes held	Shareholders	Holding (%)
> 10%	2	0.0	40.1	AS Harju KEK	30.10
1.0 - 10.0%	7	0.1	19.3	ING Luxembourg S.A.	10.02
0.1 - 1.0 %	66	0.6	16.1	Shareholders holding under 10%	59.88
< 0.1%	10,658	99.3	24.5	<b>Total</b>	<b>100.00</b>
<b>Total</b>	<b>10,733</b>	<b>100.0</b>	<b>100.0</b>		

As of 30 June 2025, AS Harju Elekter Group had 10,733 shareholders. During the reporting quarter, the number of shareholders decreased by 53. The largest shareholder of AS Harju Elekter Group is AS Harju KEK, a company based on local capital which holds 30.10% of AS Harju Elekter Group's share capital. On 30 June 2025, the members of the Supervisory and Management Boards owned, in accordance with their direct and indirect ownerships, in total of 4.96% of AS Harju Elekter Group shares. The complete list of shareholders of AS Harju Elekter Group is available on the website of the Nasdaq CSD <https://nasdaqcsd.com/statistics/en/shareholders>.

## INTERIM FINANCIAL STATEMENT

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(EUR'000)</i>	Note	30.06.2025	31.12.2024	30.06.2024
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		2,925	3,773	1,632
Trade and other receivables		42,582	29,606	48,655
Prepayments		2,076	2,096	1,173
Inventories		25,124	19,845	28,745
<b>Total current assets</b>		<b>72,707</b>	<b>55,320</b>	<b>80,205</b>
<b>Non-current assets</b>				
Deferred income tax assets		526	687	722
Non-current financial investments	2	27,221	27,717	27,715
Investment properties	3	28,927	29,432	28,901
Property, plant, and equipment	4	32,238	32,420	33,275
Intangible assets	4	8,864	8,121	7,576
<b>Total non-current assets</b>		<b>97,776</b>	<b>98,377</b>	<b>98,189</b>
<b>TOTAL ASSETS</b>	7	<b>170,483</b>	<b>153,697</b>	<b>178,394</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Borrowings	5	9,625	9,885	17,481
Prepayments from customers		16,872	11,600	13,495
Trade and other payables		26,232	17,426	27,761
Tax liabilities		3,502	3,260	4,598
Current provisions		671	270	185
<b>Total current liabilities</b>		<b>56,902</b>	<b>42,441</b>	<b>63,520</b>
Borrowings	5	19,939	20,184	23,207
Other non-current liabilities		17	39	54
<b>Total non-current liabilities</b>		<b>19,956</b>	<b>20,223</b>	<b>23,261</b>
<b>Total liabilities</b>		<b>76,858</b>	<b>62,664</b>	<b>86,781</b>
<b>Equity</b>				
Share capital	6	11,655	11,655	11,655
Share premium		3,306	3,306	3,306
Reserves		23,035	23,135	23,063
Retained earnings		55,629	52,937	53,589
<b>Total equity attributable to the owners of the parent company</b>		<b>93,625</b>	<b>91,033</b>	<b>91,613</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>170,483</b>	<b>153,697</b>	<b>178,394</b>

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>(EUR'000)</i>	Note	Q2 2025	Q2 2024	6M 2024	6M 2024
Revenue	7	46,071	56,801	83,497	103,577
Cost of sales		-38,635	-48,629	-70,394	-90,569
<b>Gross profit</b>		<b>7,436</b>	<b>8,172</b>	<b>13,103</b>	<b>13,008</b>
Distribution costs		-1,395	-1,328	-2,681	-2,524
Administrative expenses		-2,366	-2,227	-4,945	-4,744
Other income		7	75	1,030	94
Other expenses		-97	-242	-127	-409
<b>Operating profit</b>	7	<b>3,585</b>	<b>4,450</b>	<b>6,380</b>	<b>5,425</b>
Finance income		267	11	900	104
Finance costs		-1,067	-540	-1,352	-1,131
<b>Profit before tax</b>		<b>2,785</b>	<b>3,921</b>	<b>5,928</b>	<b>4,398</b>
Income tax	9	-157	-454	-665	-571
<b>Profit for the period</b>		<b>2,628</b>	<b>3,467</b>	<b>5,263</b>	<b>3,827</b>
<b>Earnings per share</b>					
Basic earnings per share (euros)	8	0.14	0.19	0.28	0.21
Diluted earnings per share (euros)	8	0.14	0.19	0.28	0.21

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(EUR'000)</i>	Note	Q2 2025	Q2 2024	6M 2024	6M 2024
<b>Profit for the period</b>		<b>2,628</b>	<b>3,467</b>	<b>5,263</b>	<b>3,827</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Impact of exchange rate changes of a foreign subsidiaries		300	-46	-288	60
<i>Items that will not be reclassified to profit or loss</i>					
Gain on sales of financial assets	2	385	185	204	185
Revaluation of financial assets		-1	-141	175	-72
<b>Total comprehensive income for the period</b>		<b>684</b>	<b>-2</b>	<b>91</b>	<b>173</b>
<b>Other comprehensive income</b>		<b>3,312</b>	<b>3,465</b>	<b>5,354</b>	<b>4,000</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(EUR '000)</i>	Note	6M 2025	6M 2024
<b>Cash flows from operating activities</b>			
Profit for the period		5,263	3,827
<u>Adjustments</u>			
Depreciation, amortization and impairment	3,4	2,143	1,964
Share-based payments	10	13	20
Finance income		-900	-104
Finance costs		1,352	1,131
Income tax	9	665	571
<u>Changes</u>			
Changes in trade receivables and prepayments		-12,823	-10,649
Changes in inventories		-5,278	8,089
Changes in trade payables and prepayments		14,755	1,271
Corporate income tax paid	9	-926	-78
Interest paid		-193	-1,120
<b>Total cash flow (-outflow) from operating activities</b>		<b>4,071</b>	<b>4,922</b>
<b>Cash flows from investing activities</b>			
Payments for investment properties	9	-341	-887
Payments for property, plant and equipment	9	-799	-440
Payments for intangible assets	9	-734	-377
Payments for financial investment	2	-17	0
Proceeds from sale of property, plant and equipment		1	32
Proceeds from sale of other financial investments	2	889	1,641
Dividends received		0	78
Received interests		8	3
<b>Total cash flow (-outflow) from investing activities</b>		<b>-993</b>	<b>50</b>
<b>Cash flows from financing activities</b>			
Change in overdraft balance and current borrowings	5	1,706	-636
Repayment of non-current borrowings	5	-1,628	-2,062
Change in factoring liability	5	-819	684
Repayments of lease liabilities	5	-196	-382
Proceeds from the share issue		68	0
Dividends paid		-2,775	-2,405
Dividends income tax paid		0	-12
<b>Total cash flow (-outflow) from financing activities</b>		<b>-3,644</b>	<b>-4,813</b>
<b>Total net cash flow (-outflow)</b>		<b>-566</b>	<b>159</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,773</b>	<b>1,381</b>
Changes in cash and cash equivalents		-566	159
Effect of exchange rate fluctuations on cash and cash equivalents		-282	92
<b>Cash and cash equivalents at the end of the period</b>		<b>2,925</b>	<b>1,632</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 January – 30 June (EUR'000)	Share capital	Share premium	Reserves	Retained earnings	Total equity
<b>Balance at 1 January 2024</b>	<b>11,655</b>	<b>3,306</b>	<b>23,055</b>	<b>51,982</b>	<b>89,998</b>
<b>Comprehensive income</b>					
Profit for the period	0	0	0	3,827	3,827
Other comprehensive income	0	0	-12	185	173
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-12</b>	<b>4,012</b>	<b>4,000</b>
<b>Transactions with owners recognized directly in equity</b>					
Share-based payments (Note 8,10)	0	0	20	0	20
Dividends	0	0	0	-2,405	-2,405
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>-2,405</b>	<b>-2,385</b>
<b>Balance at 30 June 2024</b>	<b>11,655</b>	<b>3,306</b>	<b>23,063</b>	<b>53,589</b>	<b>91,613</b>
<b>Balance at 1 January 2025</b>	<b>11,655</b>	<b>3,306</b>	<b>23,135</b>	<b>52,937</b>	<b>91,033</b>
<b>Comprehensive income</b>					
Profit for the period	0	0	0	5,263	5,263
Other comprehensive income	0	0	-113	204	91
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-113</b>	<b>5,467</b>	<b>5,354</b>
<b>Transactions with owners recognized directly in equity</b>					
Share-based payments (Note 8,10)	0	0	13	0	13
Dividends	0	0	0	-2,775	-2,775
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>-2,775</b>	<b>-2,762</b>
<b>Balance at 30 June 2025</b>	<b>11,655</b>	<b>3,306</b>	<b>23,035</b>	<b>55,629</b>	<b>93,625</b>

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

## NOTES TO INTERIM FINANCIAL STATEMENT

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

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

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

According to the assessment of the Management Board, the interim report for the second quarter and 6 months of 2025 of AS Harju Elekter Group presents a true and fair view of the financial result of the consolidation Group guided by the going-concern assumption. This interim report has been neither audited nor reviewed by auditors and only includes the consolidated reports of the Group.

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

### Note 2 Financial investments

<i>(EUR'000)</i>	<b>30.06.2025</b>	<b>31.12.2024</b>	<b>30.06.2024</b>
Listed securities (fair value through other comprehensive income)	17	21	20
Other equity investments (fair value through other comprehensive income)	27,200	27,687	27,687
Other financial assets through profit or loss	4	9	8
<b>Total</b>	<b>27,221</b>	<b>27,717</b>	<b>27,715</b>
Changes	<b>6M 2025</b>	<b>12M 2024</b>	<b>6M 2024</b>
<b>1. Financial assets at fair value through other comprehensive income</b>			
Carrying amount at the beginning of the period	27,708	29,235	29,235
Additions	17	0	0
Sale of financial assets	-503	-1,456	-1,456
Change in fair value through other comprehensive income	-5	-71	-72
<b>Carrying amount at the end of the period</b>	<b>27,217</b>	<b>27,708</b>	<b>27,707</b>
<b>2. Financial assets at fair value through profit and loss</b>			
Carrying amount at the beginning of the period	9	9	9
Change in fair value through profit and loss	-5	0	-1
<b>Carrying amount at the end of the period</b>	<b>4</b>	<b>9</b>	<b>8</b>
<b>Total carrying amount at the end of the period</b>	<b>27,221</b>	<b>27,717</b>	<b>27,715</b>

In April, AS Harju Elekter Group's Finnish subsidiary Harju Elekter OY exited its financial investment by divesting a 9.15% stake in IGL Technologies OY, a leading Finnish developer and operator of parking and e-mobility solutions as well as parking and charging systems. This step is in line with the Group's strategy to focus on its core business and to allocate more resources to product development and innovation—particularly the development of next-generation chargers that meet the growing demand for sustainable and smart energy solutions. The divestment of

the IGL Technologies OY stake generated total proceeds of 0.9 million euros in the reporting quarter, of which 0.4 million euros was realised as profit. The gain was recognised through other comprehensive income.

As of 30 June 2025, other equity investments include an investment in the shares of OÜ Skeleton Technologies Group in the amount of 27.2 (31.12.24: 27.2) million euros. As of the reporting date, the registered ownership stake in OÜ Skeleton Technologies Group is 5.45%. The company is engaged in the development and production of supercapacitors and is gradually increasing production. The assessment of future cash flows of the OÜ Skeleton Technologies Group includes significant uncertainty. Measurement of fair value is a complex process in the absence of an active market and when this is the case, this kind of measurement involves making assumptions and decisions. In assessing the fair value of the company, the Group's management based the assessment on the issue price of the new shares used in the financing rounds, the economic indicators disclosed by OÜ Skeleton Technologies Group, the associated investment risk, and weighted the marketability of instrument.

### Note 3 Investment properties

(EUR'000)	Note	6M 2025	12M 2025	6M 2024
Balance at the beginning of the period		29,432	28,856	28,856
Additions	7	259	1,822	667
Depreciation	7	-764	-1,246	-622
<b>At the end of the period</b>		<b>28,927</b>	<b>29,432</b>	<b>28,901</b>

### Note 4 Property, plant and equipment and intangible assets

(EUR'000)	Note	6M 2025	12M 2025	6M 2024
<b>1. Property, plant and equipment</b>				
Balance at the beginning of the period		32,420	34,067	34,067
Additions	7	805	894	449
Additions to right-of-use assets		0	346	0
Sales and write-off in carrying amount		-45	-172	-43
Depreciation	7	-1,249	-2,412	-1,207
Reclassification to inventories		0	13	0
Impact of exchange rate changes		307	-316	9
<b>At the end of the period</b>		<b>32,238</b>	<b>32,420</b>	<b>33,275</b>
<b>2. Intangible assets</b>				
Balance at the beginning of the period		8,121	7,354	7,354
Additions	7	873	1,070	358
Amortization	7	-130	-292	-135
Refunded prepayment		0	-10	0
Impact of exchange rate changes		0	-1	-1
<b>At the end of the period</b>		<b>8,864</b>	<b>8,121</b>	<b>7,576</b>

### Note 5 Borrowings

(EUR'000)	30.06.25	31.12.24	30.06.24
<b>Current borrowings</b>			
Current bank loans and overdrafts	6,790	5,084	13,573
Current portion of non-current bank loans	1,646	3,029	1,812
Current portion of non-current lease liabilities	190	374	319
Factoring liability	533	1,352	1,568
Interest payable	466	46	209
<b>Total current borrowings</b>	<b>9,625</b>	<b>9,885</b>	<b>17,481</b>
<b>Non-current borrowings</b>			
Non-current bank loans	19,042	19,287	22,278
Non-current lease liabilities	897	897	929
<b>Total non-current borrowings</b>	<b>19,939</b>	<b>20,184</b>	<b>23,207</b>
<b>Total borrowings</b>	<b>29,564</b>	<b>30,069</b>	<b>40,688</b>

Changes in borrowings	3M 2025	12M 2024	3M 2024
<b>Loans and borrowings at the beginning of the period</b>	<b>30,069</b>	<b>43,072</b>	<b>43,072</b>
Change in overdraft balances	1,706	-9,125	-636
Received non-current loans	0	109	0
Repayments of non-current loans	-1,628	-3,945	-2,062
Change in factoring liability	-819	468	684
New lease liabilities	0	375	0
Repayments of non-current lease liabilities	-196	-729	-382
Impact of exchange rate changes	11	2	7
Change in interest payable	420	-158	5
<b>Loans and borrowings at the end of the period</b>	<b>29,563</b>	<b>30,069</b>	<b>40,688</b>

## Note 6 Share capital

	30.06.25	31.12.24	30.06.24
Share capital (thousand euros)	11,655	11,655	11,655
Number of shares (pcs)	18,498,770	18,498,770	18,498,770
Book value of a share (euros)	0.63	0.63	0.63

## Note 7 Segment reporting

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

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

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

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

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

(EUR'000)	Note	Production	Real Estate	Other activities	Elimination	Consolidated
<b>6 months 2025</b>						
Revenue from external customers		77,993	2,745	2,759	0	<b>83,497</b>
Inter-segment revenue		277	1,220	1,823	-3,320	0
<b>Segment revenue</b>		<b>78,270</b>	<b>3,965</b>	<b>4,582</b>	<b>-3,320</b>	<b>83,497</b>
<b>Operating profit</b>		<b>4,937</b>	<b>1,809</b>	<b>32</b>	<b>-398</b>	<b>6,380</b>
Segment assets		96,199	31,315	47,231	-31,608	143,137
Unallocated assets						27,346
<i>incl. Financial investments</i>						27,216
<i>incl. Other receivables and prepayments</i>						130
<b>Total assets</b>						<b>170,483</b>
Liabilities of the segment		78,317	-1,076	3,990	-31,608	49,623
Unallocated liabilities						27,235
<i>incl. borrowings</i>						26,384
<i>incl. accrued expenses</i>						585
<i>incl. other</i>						266
<b>Total liabilities</b>						<b>76,858</b>
Capital expenditure	3,4	917	303	717	0	1,937
Depreciation and amortization	3,4	838	1,029	283	-7	2,143
<b>6 months 2024</b>						
Revenue from external customers		98,684	2,610	2,283	0	<b>103,577</b>
Inter-segment revenue		275	2,739	50	-3,064	0
<b>Segment revenue</b>		<b>98,959</b>	<b>5,349</b>	<b>2,333</b>	<b>-3,064</b>	<b>103,577</b>
<b>Operating profit</b>		<b>4,013</b>	<b>1,856</b>	<b>-423</b>	<b>-21</b>	<b>5,425</b>
Segment assets		103,378	34,892	46,810	-34,012	151,068
Unallocated assets						27,326
<i>incl. Financial investments</i>						27,221
<i>incl. Other receivables and prepayments</i>						105
<b>Total assets</b>						<b>178,394</b>
Liabilities of the segment		83,750	345	4,940	-34,012	55,023
Unallocated liabilities						31,758
<i>incl. borrowings</i>						30,799
<i>incl. accrued expenses</i>						654
<i>incl. other</i>						305
<b>Total liabilities</b>						<b>86,781</b>
Capital expenditure	3,4	416	667	391	0	1,474
Depreciation and amortization	3,4	803	906	262	-7	1,964

**Revenue by geographic regions (customer location)**

(EUR'000)	6M 2025	6M 2024
Estonia	11,813	11,379
Finland	26,683	37,543
Sweden	10,162	15,616
Norway	17,499	17,304
Germany	11,223	5,877
Netherlands	3,382	2,505
Other	2,735	13,353
<b>Total revenue</b>	<b>83,497</b>	<b>103,577</b>

**Revenue by business activities***(EUR '000)*

	6M 2025	6M 2024
Manufacturing and sale of electrical equipment	77,287	96,858
Lease income	2,323	2,275
Electrical works	2,759	2,274
Other services	1,128	2,170
<b>Total revenue</b>	<b>83,497</b>	<b>103,577</b>

**Note 8 Basic and diluted earnings per share**

Basic earnings per share are calculated by dividing the net profit for the reporting period with the weighted average number of shares issued during the period. Diluted earnings per share are calculated by taking into account the shares that will be potentially issued. The resolution of the general meeting of shareholders held on 29 April 2021 approved the new 2021–2022 share option program, under which the members of the Management Boards and key personnel of AS Harju Elekter Group and its subsidiaries are entitled to receive share options. The issue price of the shares to be acquired on the basis of the option is the average of the closing prices of the shares for the calendar years of 2018, 2019, and 2020 on the Nasdaq Tallinn Stock Exchange as of 31 December, i.e., 4.50 euros per share. As at 30 June 2025, the Group had a total of 81,000 potentially issuable ordinary shares.

As to share-based compensation to which IFRS 2 requirements apply, the subscription price of shares will continue to include the cost of the services provided by employees for the share-based compensation. The value of the service was estimated by an independent expert at 3.55 euros in the 2021 round and 1.52 euros in 2022. The potential shares will only become dilutive after their average market price for the period exceeds these values. During the period from April 1 to June 30, 2025, the average market price of the shares was 4.73 (Q2 2023: 4.85) euros, and during the period from January 1 to June 30, 2024, the average market price of the shares was 4.73 (6M 2024: 4.86) euros.

	Unit	Q2 2025	Q2 2024
Profit attributable to equity holders of the parent company	EUR '000	2,628	3,467
Average number of shares outstanding	Pc '000	18,499	18,499
Basic earnings per share	EUR	0.14	0.19
Adjusted number of shares during the period	Pc '000	18,499	18,499
Diluted earnings per share	EUR	0.14	0.19
	Unit	6M 2025	6M 2024
Profit attributable to equity holders of the parent company	EUR '000	5,263	3,827
Average number of shares outstanding	Pc '000	18,499	18,499
Basic earnings per share	EUR	0.28	0.21
Adjusted number of shares during the period	Pc '000	18,601	18,601
Diluted earnings per share	EUR	0.28	0.21

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

	Note	6M 2025	6M 2024
<b>Corporate income tax</b>			
Income tax expense in the statement of profit or loss		-665	-571
Decrease (+)/increase (-) in prepayment and in income tax liability		-900	450
Dividend income tax expense		500	12
Deferred income tax expense/income		139	31
<b>Corporate income tax paid</b>		<b>-926</b>	<b>-78</b>
<b>Paid for investment properties</b>			
Acquisitions of investment properties	3	-259	-667
Liability decrease (-)/ increase (+) incurred by the acquisitions		-82	-220
<b>Paid for investment properties</b>		<b>-341</b>	<b>-887</b>

<i>(EUR'000)</i>	Note	6M 2025	6M 2024
<b>Paid for property, plant and equipment</b>			
Acquisitions of property, plant and equipment	4	-805	-449
Liability decrease (-)/ increase (+) incurred by the acquisitions		6	9
<b>Paid for property, plant and equipment</b>		<b>-799</b>	<b>-440</b>
<b>Paid for intangible assets</b>			
Acquisitions of intangible assets	4	-873	-358
Liability decrease (-)/ increase (+) incurred by the acquisitions		138	-22
Impact of exchange rate changes		1	3
<b>Paid for intangible assets</b>		<b>-734</b>	<b>-377</b>

## Note 10 Transactions with related parties

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

<i>(EUR'000)</i>	30.06.25	31.12.24	30.06.24
<b>Balances with related parties:</b>			
- Payables for goods and services	62	56	50
- Payables to Management and Supervisory Boards	153	96	86
- Bonus reserve for Management board	123	42	98
	<b>6M 2025</b>	<b>12M 2024</b>	<b>6M 2024</b>
<b>Purchase of goods and services from related parties:</b>			
- Other services, Lease of property, plant from AS Harju KEK	49	89	42
- Other services from AS Entek	386	851	547
- Other services from Ellex Raidla Advokaadibüroo OÜ	0	7	0
- Other services from HeBA Clinic OÜ	1	17	11
<b>Sale of goods and services to related parties:</b>			
- Other services to AS Harju KEK	0	2	1
- Sale of goods and services to AS Entek	0	0	0
- Rental service for HeBA Clinic OÜ	1	3	1
<b>Remuneration of the Management and Supervisory Boards:</b>			
- Salary, bonuses, additional other remuneration	505	687	372
- Social security tax	167	227	123

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

### Share-based payments

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

During the reporting period, share-based payments were recognized as labour costs amounting to 13 (6M 2024: 20) thousand euros, including 8 (6M 2024: 12) thousand euros for the members of the Management and Supervisory Board. The pricing of the option is disclosed in Note 8.

## THE MANAGEMENT BOARD DECLARATION FOR THE UNAUDITED FINANCIAL STATEMENTS

The Management Board acknowledges its responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements for the second quarter and 6 months of 2025 and confirms that to the best of its knowledge, information and belief that:

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

Tiit Atso Chairman of the Management Board 24 July 2025



Priit Treial Member of the Management Board 24 July 2025



Aron Kuhi-Thalfeldt Member of the Management Board 24 July 2025



Erko Lepa Member of the Management Board 24 July 2025



Tiit Luman Member of the Management Board 24 July 2025

