



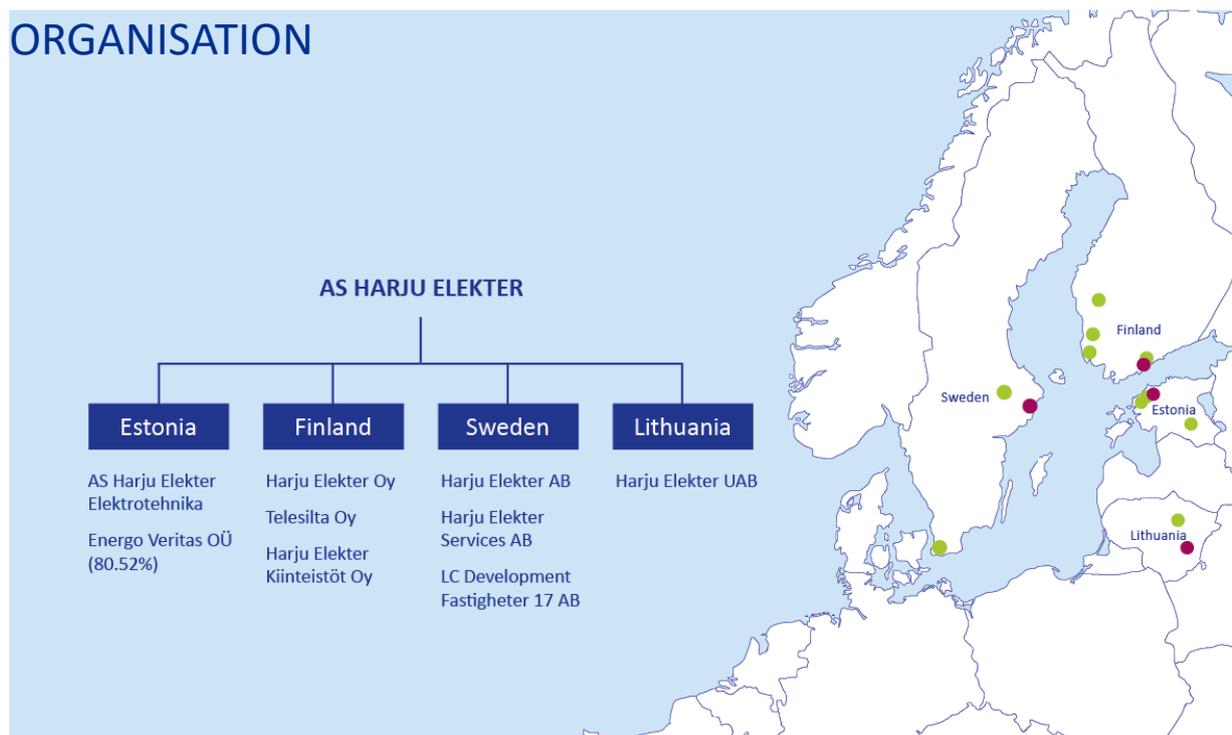
**CONSOLIDATED
UNAUDITED INTERIM
REPORT FOR THE
I QUARTER AND
3 MONTHS OF 2023**

Business name:	AS Harju Elekter
Business registry code:	10029524
Address:	Paldiski mnt.31, 76606 Keila
Phone:	+372 67 47 400
E-mail:	info.he@harjuelekter.com
Internet homepage:	https://harjuelekter.com/
Auditor:	AS PricewaterhouseCoopers
Financial year:	1 January – 31 December 2023
Reporting period:	1 January – 31 March 2023

TABLE OF CONTENTS

ORGANISATION	3
MANAGEMENT REPORT	5
SUMMARY OF THE FIRST QUARTER AND 3 MONTH RESULTS	5
COMMENTARY FROM THE MANAGEMENT	7
SUPERVISORY, AUDIT COMMITTEE AND MANAGEMENT BOARDS	7
CHANGES IN THE STRUCTURE OF THE GROUP	8
MAIN EVENTS	8
OPERATING RESULTS	9
<i>Revenue</i>	9
<i>Operating expenses</i>	10
PERSONNEL	11
SHARES AND SHAREHOLDERS	12
INTERIM FINANCIAL STATEMENT	13
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	13
CONSOLIDATED STATEMENT OF PROFIT AND LOSS	14
CONSOLIDATED STATEMENT OF CASH FLOWS	15
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	16
NOTES TO INTERIM FINANCIAL STATEMENT	17
<i>Lisa 1 Accounting methods and valuation principles used in the consolidated interim report</i>	17
<i>Note 2 Financial investments</i>	17
<i>Note 3 Investment properties</i>	18
<i>Note 4 Property, plant and equipment; intangible assets</i>	18
<i>Note 5 Borrowings</i>	18
<i>Note 6 Share capital</i>	19
<i>Note 7 Segment reporting</i>	19
<i>Note 8 Basic and diluted earnings per share</i>	21
<i>Note 9 Information on the statement of cash flows line items</i>	22
<i>Note 10 Transactions with related parties</i>	22
THE MANAGEMENT BOARD DECLARATION FOR THE UNAUDITED FINANCIAL STATEMENTS	24

ORGANISATION



AS Harju Elekter's share in its subsidiaries is 100%, unless otherwise stated in the chart.

ESTONIA

AS HARJU ELEKTER

The Parent company of the Group, focused on coordination of co-operation within the Group's companies and managing industrial real estate holdings, located in Keila

AS HARJU ELEKTER ELEKTROTEHNIKA

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

ENERGO VERITAS OÜ (81%)

A company trading in electrical materials

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

LITHUANIA

HARJU ELEKTER UAB

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

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 Malmö and Västerås

HARJU ELEKTER SERVICES AB

Industrial real estate holding company in Sweden

LC Development Fastigheter 17 AB

(100% subsidiary of Harju Elekter Services AB)

Industrial real estate holding company in Sweden

STRATEGICAL INVESTMENTS

ESTONIA

OÜ SKELETON TECHNOLOGIES GROUP (6.1%)

Developer and manufacturer of ultra-capacitors

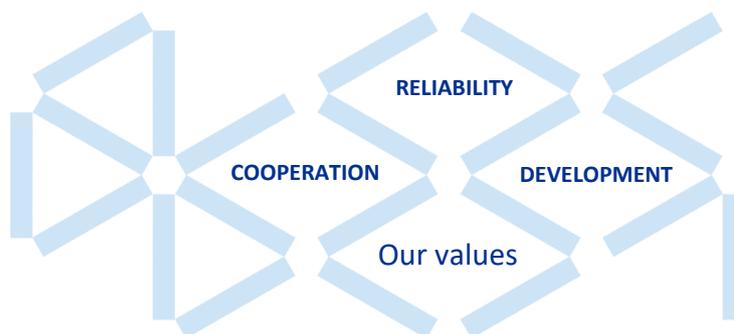
FINLAND

IGL-TECHNOLOGIES OY (10%)

Developer of parking & e-mobility solutions for electric car chargers

Who we are

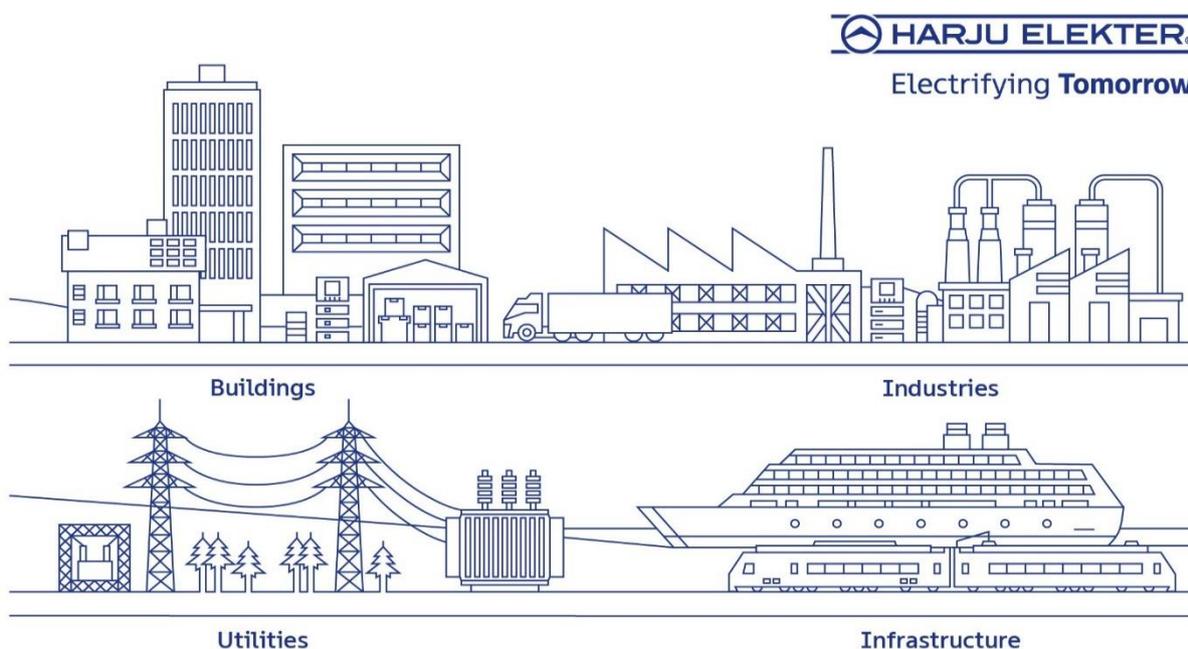
Harju Elekter is an international industrial group with extensive experience in providing future proof solutions for electrical power distribution. Harju Elekter Group has its roots and head office in Estonia, and production plants in four countries: Estonia, Finland, Sweden and Lithuania.



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.



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. The core business generates approximately 90% of the Group's revenue.



Real estate – developing of industrial real estate, project management, renting and the accompanying services to rental partners and to the Harju Elekter Group companies. This segment generates approximately 2% of the Group's revenue.

Other activities that are not significant enough to be reported as separate segments, and the accompanying risks and rewards of which were not materially different and clearly identifiable, are presented together as other activities. These include managing financial investments, retail and project sales of electrical goods, and electrical installation work in shipbuilding.

Risks

- Supply Chain
- Financial risks
- Increase in wages and the lack of specialists
- Regulations and Legislation
- Business ethics
- Environment
- Information Technology
- Corporate management
- Emergencies

MANAGEMENT REPORT

SUMMARY OF THE FIRST QUARTER AND 3 MONTH RESULTS

Revenue and financial results

Harju Elekter earned revenue of 45.3 (2022 Q1: 37.3) million euros in the reporting quarter, which is 21.3% more than a year earlier.

The gross profit for the first quarter was 5,386 (2022 Q1: 2,986) thousand euros and the gross profit margin was 11.9% (2022 Q1: 8.0%). Operating profit (EBIT) was 1,309 (2022 Q1: operating loss 1,125) thousand euros. The operating margin of the reporting quarter was 2.9% (2022 Q1: -3.0%). The net profit for the reporting quarter was 749 (2022 Q1: net loss 1,294) thousand euros, of which the share of the owners of the parent company was 781 (2022 Q1: net loss 1,308) thousand euros. Net profit per share in the first quarter was 0.04 euros, a year earlier the net loss per share was -0.07 euros.

The growth of revenue and profitability of the reporting quarter have been noticeably affected by the review of management processes, increase in production efficiency, and decline in problems with the supply of materials and components. The company has made important decisions to optimise business operations, as well as to save costs. The price corrections achieved with the customers of the framework agreements also partly covered the increase in input prices caused by the crises. We will continue to improve efficiency in order to adapt to the changing economic conditions and increase profitability.

Investments

During the reporting period, the Group invested a total of 0.6 (2022 Q1: 1.5) million euros in non-current assets, incl 0.3 (2022 Q1: 1.0) million euros in investment properties, 0.2 (2022 Q1: 0.4) million euros in property, plant, and equipment and 0.1 (2022 Q1: 0.1) million euros in intangible assets. Investments were mostly made in production technology equipment, production, and process management systems.

The value of the Group's non-current financial investments totalled 23.8 (31.12.22: 23.7) million euros as of the reporting date. There were no acquisitions or sales of securities. The fair value of securities increased by 36 thousand in the reporting quarter, compared to a year earlier it decreased by 0.5 million euros.

Current assets

Current assets increased by 6.3 million to 85.3 million euros during the reporting quarter. Cash and cash equivalents decreased by 8.1, trade receivables and other receivables increased by 6.0, and inventories increased by 7.6 million euros. By the end of the reporting period, materials accounted for 77% (31.12.22: 77%) of the total inventory. The remaining part includes work in progress and finished goods.

Liabilities

At the reporting date, the Group had liabilities in total of 97.0 (31.12.22: 92.0) million euros, of which the current part accounted for 78.9%. During the reporting quarter current liabilities increased by 5,3 million euros, incl. an increase in prepayments from customers by 4.5 and trade and other payables by 7.4 million euros. At the end of the period, current and non-current borrowings were respectively – 18.3 (31.12.22: 24.4) and 20.4 (31.12.22: 20.7) million euros. Non-current loans and leases were used for real estate investments, expansion of the production building and investments in automatic production equipment.

Cash Flows

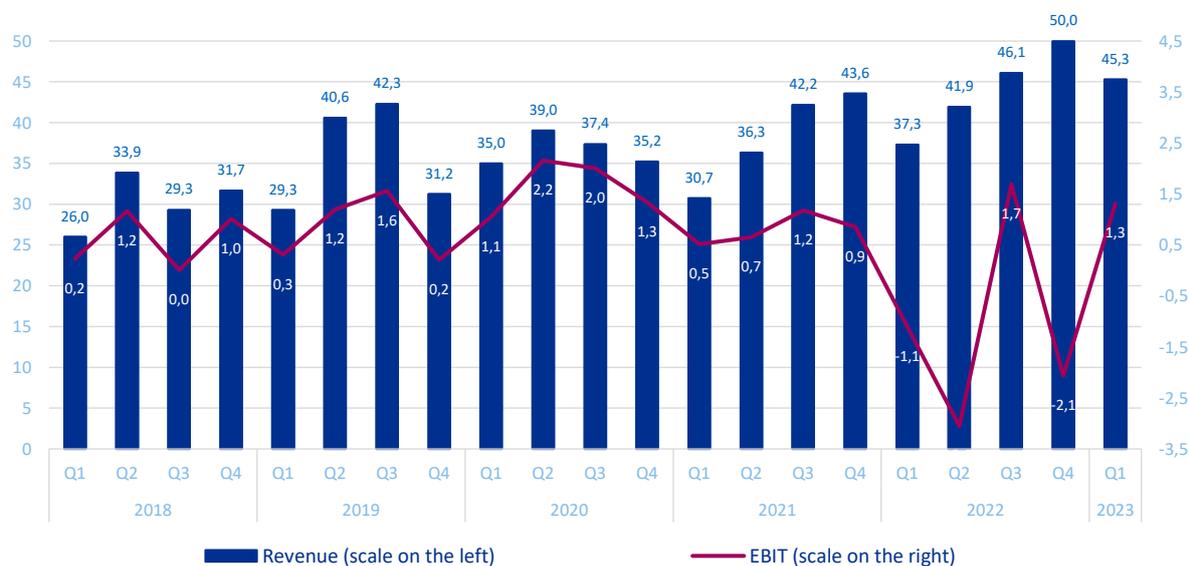
The cash flow from operating activities was -1.3 million euros in the reporting quarter, compared to -5.0 million euros a year before. The materials needed for customer projects were acquired, and with the growth of sales, the balance of receivables and liabilities also increased. In the first quarter, 0.4 (2022 Q1: 0.8) million euros were directed to investment activities, the entire amount went to purchases of non-current assets.

The cash flow from financing activities was most affected by loan and lease payments. The current and non-current loans were repaid in the amount of 1.3 million euros and the overdraft decreased by 4.8 million euros. Overall, the cash flow from financing activities in the first quarter amounted to -6.3 (2022 Q1: 5.4) million euros.

Key indicators (EUR'000)	Q1 2023	Q1 2022	+/-
Revenue	45,269	37,321	21.3%
Gross profit	5,386	2,986	80.3%
EBITDA	2,382	-68	3601.5%
Operating profit/loss (-) (EBIT)	1,309	-1,125	216.3%
Profit/loss (-) for the period	749	-1,294	157.9%
Incl. attributable to owners of the parent company	781	-1,308	159.7%
Earnings per share (EPS) (euros)	0.04	-0.07	157.1%
	31.03.23	31.03.22	+/-
Total current assets	85,304	76,760	11.1%
Total non-current assets	91,861	83,751	9.7%
Total assets	177,165	160,511	10.4%
Total liabilities	96,959	75,246	28.9%
	31.03.23	31.03.22	+/-
Ratios (%)	Q1 2023	Q1 2022	+/-
Distribution cost to revenue	3.0	3.6	-0.6
Administrative expenses to revenue	5.7	7.1	-1.4
Labour cost to revenue	21.0	23.3	-2.3
Gross margin (gross profit / revenue)	11.9	8.0	3.9
EBITDA margin (EBITDA / revenue)	5.3	-0.2	5.5
Operating margin (EBIT / revenue)	2.9	-3.0	5.9
Net margin (profit/loss (-) for the period / revenue)	1.7	-3.5	5.2
Inventory turnover (revenue / avg. inventories)	0.3	0.2	0.1
Return on equity (ROE) (profit/loss (-) for the period / avg.equity)	0.9	-1.5	2.4
	31.03.23	31.03.22	+/-
Equity ratio (equity / total assets) (%)	46.3	53.1	-6.8
Current ratio (current assets / current liabilities)	1.1	1.2	-0.1
Debt ratio (total liabilities/ total assets)	0.5	0.5	0
Quick ratio ((current assets - inventories) / current liabilities)	0.5	0.7	-0.2

Quarterly Changes in Revenue and EBIT

mln eurot



COMMENTARY FROM THE MANAGEMENT

After a difficult 2022, when we completed the restructuring of the Group and incurred losses from several long-term contracts, we were able to make a fresh start in 2023. The implementation of a new strategic plan has continued, the Group's new management has settled in, and the financial results for the quarter illustrate the preliminary results of the work done.

We ended the first quarter of 2023 again with strong revenue growth, achieving a record revenue of 45 million euros, and a record operating profit of 1.3 million euros for the first quarter. In addition to the above, the positive result is due to successful price negotiations in framework procurements. The Finnish and Swedish network operators' understanding of how to ensure the sustainability of their suppliers has been extremely reflective, which is why we have been able to continue executing the framework agreements in a profitable way. Unfortunately, a caring attitude towards suppliers does not apply in Estonia, which is why in the future we will need to price in the risks more carefully and consider the expediency of participating in procurements of the Estonian distribution network.

The good financial results by countries are backed by the production companies in Estonia and Lithuania, to which the Group's management has allocated most of its resources in 2022. The Finnish unit has started the year with a more modest result and here we plan to thoroughly analyse the profitability of all business lines in 2023. The Group's Swedish company continues with weak financial results, where it has taken more time than planned to achieve the full capacity ("ramp-up") of the new plant – settling in the team, moving production units and transferring products have proven to be more complicated and costly. In the first half of the year, the Group's management will devote itself as much as possible to improving the situation of the Swedish production unit, organising the processes and filling the orders and promises made to customers.

With the arrival of spring, we will restart producing renewable energy from all our solar parks with a capacity of 2.73 MW, which will also contribute to the profitability of the Group. Despite the momentary joy, we acknowledge that the crises are far from over: there is still a lot of work to be done and a number of problems are yet to be solved. We can see that the changes made are taking us in the right direction and that we are becoming a modern, credible and profitable industrial group.

SUPERVISORY, AUDIT COMMITTEE AND MANAGEMENT BOARDS

The Supervisory Board of AS Harju Elekter 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, Head of M&A, partner). The Chairman of the Supervisory Board is Triinu Tombak.

Management Board of AS Harju Elekter has three 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).

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 Harju Elekter decided, by agreement between the parties, to terminate the contract with Harju Elekter AB's Managing Director Mikael Shwartz Jonsson who continued as Managing Director until 28 February 2023, after which Martin Frank took over as acting director. Martin Frank has worked as the Head of Marketing and Sales at Harju Elekter AB since 2021.

Intra-Group restructuring

The merger decisions of AS Harju Elekter Elektrotehnika (the acquiring company) and AS Harju Elekter Teletehnika (the company being acquired) were adopted on 1 December 2022 and an entry of the merger in the commercial register was made on 13 March 2023. Pursuant to the merger agreement concluded on 30 September 2022, the legal successor of AS Harju Elekter Teletehnika is AS Harju Elekter Elektrotehnika and, with the entry of the merger in the commercial register, all the assets of AS Harju Elekter Teletehnika were wholly transferred to AS Harju Elekter Elektrotehnika. Due to the merger, AS Harju Elekter Teletehnika was deleted from the commercial register 13 March 2023.

MAIN EVENTS

New customer agreements



The Harju Elekter Group's Swedish subsidiary Harju Elekter AB signed an agreement with one of Sweden's leading data centre operators, atNorth which is expanding their data centre in Sweden with the addition of several new server halls. According to the agreement Harju Elekter will deliver and install transformers and switchgear for electrical power distribution for the new server halls of the atNorth data centre during 2023. The total volume of the agreement is about 2.7 million euros.

Real estate investment



AS Harju Elekter decided to build a new production building in the Allika Industrial Park. To this end, AS Harju Elekter and Nordecon Betoon OÜ (brand name NOBE) signed a construction contract for a production and office building at Angerja tee, Hüüru. Together with the construction cost of the building, the total real estate investment will amount to 5 million euros, and the works will be completed in December 2023.



OPERATING RESULTS

Revenue

Revenue by business activities (EUR '000)	Q1 2023	Q1 2022	+/-	% 3M 2023	% 3M 2022
Electrical equipment	40,371	30,752	31.3%	89.2%	82.4%
Retail and project-based sale of electrical products	487	2,914	-83.3%	1.1%	7.8%
Other products	942	1,320	-28.6%	2.1%	3.5%
Lease income	809	811	-0.2%	1.8%	2.2%
Electrical works	1,625	957	69.8%	3.6%	2.6%
Other services	1,035	567	82.5%	2.2%	1.5%
Total	45,269	37,321	21.3%	100.0%	100.0%

The Group's revenue in the reporting quarter was 45.3 million euros, which is 21% more than a year before and historically the best first quarterly result. More low-voltage switchgears and frequency converter switchboards were sold, and larger projects were realised. The revenue of electrical equipment in the reporting quarter was 40.4 million, which is 31.3% more than in the first quarter of the previous year. At the end of 2022, retail and project-based sale of electrical products stopped in Estonia, as a result of that revenue decreased by 83.3%. The increase in orders in the shipbuilding sector in Finland and the contract won last year for the supply of a turnkey solution for electricity, automation and navigation systems to a dredging vessel increased the Group's revenue from the sale of electrical works by 69.8%.

Revenue by segment (EUR '000)	Q1 2023	Q1 2022	+/-	% 3M 2023	% 3M 2022
Production	42,609	32,746	30.1%	94.1%	87.7%
Real Estate	1,044	1,011	3.3%	2.3%	2.7%
Other activities	1,616	3,564	-54.7%	3.6%	9.6%
Total	45,269	37,321	21.3%	100.0%	100.0%



The production segment focuses on producing equipment for the distribution of medium and low voltage electricity (different types of substations, cable distribution and power connection cabinets), various electrical power switching and conversion devices, and automation and control centres for use by the energy, industrial, and maritime sectors, and infrastructure objects. In addition, companies in the production segment also offer a variety of design and engineering services. The revenue of the production segment increased by 30.1% in the reporting quarter, being 42.6 million euros. The majority of the growth originates from Lithuanian and Finnish production, which sold more automation equipment, low-voltage switchgears and frequency converter switchboards than in the previous period. The sale of electric vehicle chargers increased as well. In the first quarter, deliveries of low-voltage actuators and MCC systems to the Big River Steel project began. The production segment accounted for 94.1% of the consolidated revenue for the quarter.



The real estate unit of Harju Elekter Group is engaged in the development of industrial real estate, project management, leasing, and related services for both rental partners and Harju Elekter's own companies. The real estate unit manages a total of nine industrial parks in Estonia, Finland, Sweden, and Lithuania. The revenue of the real estate segment for the reporting quarter remained at the same level, an increase of 3.3%. In the reporting quarter, the revenue from the real estate segment was 1.0 million euros, making up 2.3% of the revenue of the first quarter.

The revenue from other activities decreased by 1.9 million euros compared to the same period of the previous year, being 1.6 million euros in the first quarter. The decrease in revenue was significantly influenced by the suspension of the retail and project-based sale of electrical products in Estonia. Other activities accounted for 3.6% of the Group's revenue in the first quarter.

Revenue by markets (EUR '000)	Q1 2023	Q1 2022	+/-	% 3M 2023	% 3M 2022
Estonia	4,956	6,897	-28.1%	10.9%	18.5%
Finland	18,635	16,696	11.6%	41.2%	44.7%
Sweden	6,470	5,823	11.1%	14.3%	15.6%
Norway	4,015	4,508	-10.9%	8.9%	12.1%
Netherlands	3,888	1,545	151.7%	8.6%	4.1%
Other	7,305	1,852	294.4%	16.1%	5.0%
Total	45,269	37,321	21.3%	100.0%	100.0%

The Group's largest target markets are Estonia, Finland, Sweden, and Norway, where a total of 75.3% (2022 Q1: 90.9%) of the Group's products and services were sold in the reporting quarter.



In the reporting quarter, 5.0 (2022 Q1: 6.9) million euros were earned from Estonia, making up 10.9% (2022 Q1: 18.5%) of the consolidated revenue. The revenue to the Estonian market decreased by 1.9 million euros, and this is mainly related to the termination of the retail and project-based sale of electrical products in Estonia. The increased volume in the previous year originated mainly from the contract for hermetic distribution transformers and distribution cabinets.



In the reporting quarter, the revenue earned from the Finnish market was 11.6% more than a year before, totalling 18.6 million euros. The majority of the increase in revenue came from the sale of automation equipment and low-voltage switchgears to key customers and from the growth of orders for car heating and charging equipment and solar panel systems. In addition, the volume of electrical works in the Finnish shipbuilding sector increased. During the reporting quarter, 41.2% (2022 Q1: 44.7%) of Harju Elekteer products and services were sold to the Group's largest market.



The revenue of the Swedish market increased by 11.1% in the comparison of first quarters due to the increase in sale of substations and the growth of project business, being 6.5 million euros. Sweden accounted for 14.3% (2022 Q1: 15.6%) of the consolidated revenue of the reporting quarter.



Revenue from the Norwegian market decreased compared to the previous year, being 4.0 (2022 Q1: 4.5) million euros. The volume of revenue in the Norwegian market depends on the long-term orders of key customers, as well as the realisation of their projects. The Norwegian market accounted for 8.9% (2022 Q1: 12.1%) of the consolidated revenue of the reporting quarter.

Revenue from the other markets increased by 5.5 million euros to 7.3 million euros compared to the first quarter. Revenue from the Danish and Austrian markets decreased but increased from the United States and Germany. To the United States Steel Corporation was sent the first batch of low-voltage actuators and MCC systems designed to control 1500 actuators in their new Big River Steel plant in Arkansas. Other markets accounted for 16.1% (2022 Q1: 5.0%) of the consolidated revenue for the reporting quarter.

Operating expenses

(EUR '000)	Q1 2023	Q1 2022	+/-	% 3M 2023	% 3M 2022
Cost of sales	39,884	34,335	16.2%	91.0%	89.5%
Distribution costs	1,356	1,350	0.4%	3.1%	3.5%
Administrative expenses	2,580	2,665	-3.2%	5.9%	7.0%
Total operating expenses	43,820	38,350	14.3%	100.0%	100.0%
<i>incl. depreciation, amortization, impairment</i>	1,073	1,057	1.5%	2.4%	2.8%
<i>incl. total labour cost</i>	9,511	8,711	9.2%	21.7%	22.7%
<i>incl. inclusive salary cost</i>	7,222	6,535	10.5%	16.5%	17.0%

The Group's operating expenses totalled 43.8 (2022 Q1: 38.4) million euros in the reporting quarter. Most of the increase in operating expenses was due to the 16.2 % increase in the cost of sales. At the same time, the growth of costs of sales was lower than the growth rate of revenue in the first quarter by 5.1 percentage points. The gross profit margin increased by 3.9 percentage points compared to the comparable quarter to 11.9%. The increase in gross profit margin was supported by a more efficient and high production load combined with stabilised input prices and supply chain.

Distribution costs remained at the same level, being 1.4 million euros and making up 3.1% of the Group's operating expenses and 3.0% of revenue. Administrative expenses decreased by 0.1 million euros compared to the first

quarters to 2.6 million euros, making up 5.9% of the Group's operating expenses and 5.7% of the revenue of the reporting quarter. Depreciation of property, plant and equipment and intangible assets totalled 1.1 (2022 Q1: 1.1) million euros in the reporting quarter.

In a quarterly comparison, labour costs increased by 9.2%, amounting to 9.5 million euros. The ratio of labour costs to the Group's revenue was 21.0% (2022 Q1: 23.3%) in the reporting quarter. The average monthly salary per employee of the Group during the first quarter was 2,568 (2022 Q1: 2,490) euros, which was 3.1% more than in the previous period. The majority of the increase in labour costs originates from staff growth, and the growth in average wages was influenced by wage pressure from the overall economy.

PERSONNEL

One of the strategic goals of Harju Elekter Group is to become a more united group, which is why we contribute to common values. In the first quarter, the personnel, communication, and some finance people of Harju Elekter Group gathered together in Tallinn to develop a common set of values for the Group. Being guided by the same principles and values helps to shape the corporate culture by creating a sense of community and belonging among employees.

In order to better serve the customers, increase competitiveness and production efficiency, a large-scale *lean* management training program was launched at the end of the last year, the aim of which is to apply both new theoretical knowledge of lean philosophy as well as practical methods in the production units.

In the reporting quarter, the merger of the production company AS Harju Elekter Teletehnika with AS Harju Elekter Elektrotehnika was completed, during which approximately 100 employees moved to the new merged company.

At the end of the reporting period, the Group employed 971 people, which was 77 employees more than a year ago. In the reporting quarter, the Group employed an average of 937 people, which was on average 62 employees more than in the comparable period. The largest increases were in Lithuanian and Finnish manufacturing companies. In the reporting quarter, 7.2 (2022 Q1: 6.5) million euros were paid to employees as salaries and remuneration.

	Average numbers of employees		Numbers of employees					
	Q1 2023	Q1 2022	31.03.23	31.03.22	+/-	% 31.03.23	% 31.03.22	
Estonia	356	390	377	402	-25	38.8%	45.0%	
Finland	196	159	197	159	38	20.3%	17.8%	
Lithuania	317	253	329	259	70	33.9%	29.0%	
Sweden	67	73	68	74	-6	7.0%	8.2%	
Total	937	875	971	894	77	100.0%	100.0%	



SHARES AND SHAREHOLDERS

Security trading history	3M 2023	2022	2021	2020	2019
Opening price (euros)	5.01	7.44	5.24	4.26	4.12
Highest price (euros)	5.27	7.74	10.50	5.26	5.20
Lowest price (euros)	4.96	4.85	5.20	3.20	4.01
Closing price (euros)	5.00	5.01	7.44	5.18	4.21
Traded shares (pcs)	482,476	929,491	2,048,865	1,160,598	531,415
Turnover (in million euros)	2.44	5.60	15.85	4.99	2.35
Capitalisation (in million euros)	91.45	91.63	134.06	91.89	74.68
Average number of the shares (pcs)	18,289,508	18,134,463	17,855,220	17,739,880	17,739,880
EPS (euros)	0.04	-0.31	0.15	0.31	0.14

Price of AS Harju Elekter share (in euros) on Nasdaq Tallinn Stock Exchange between 31 December 2018 – 31 March 2023 (Nasdaq Tallinn, <http://www.nasdaqbaltic.com/>)



Division of shareholders by size of holding and list of shareholders with more than 5% holding as of 31 March 2023:

Holding	No of shareholders	% of all shareholders	% of votes held	Shareholders	Holding (%)
> 10%	2	0.0	40.6	AS Harju KEK	30.44
1,0 - 10,0%	7	0.1	20.1	ING Luxembourg S.A.	10.19
0,1 - 1,0 %	54	0.5	14.7	Endel Palla	7.46
< 0,1%	11,169	99.4	24.6	Shareholders holding under 5%	51.91
Total	11,232	100.0	100.0	Total	100.00

As of 31 March 2023, AS Harju Elekter had 11,232 shareholders. The number of shareholders increased during the reporting quarter by 648 members. The largest shareholder of AS Harju Elekter is AS Harju KEK, a company based on local capital which holds 30.44% of AS Harju Elekter's share capital. On 31 March 2023, the members of the Supervisory and Management Boards owned, in accordance with their direct and indirect ownerships, in total of 4.12% of AS Harju Elekter shares. The complete list of shareholders of AS Harju Elekter is available on the website of the Nasdaq CSD <https://nasdaqcsd.com/statistics/en/shareholders>.

INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(EUR'000)</i>	Note	31.03.2023	31.12.2022	31.03.2022
ASSETS				
Current assets				
Cash and cash equivalents		1,028	9,152	286
Trade and other receivables		37,627	31,612	35,663
Prepayments		1,945	1,126	3,119
Inventories		44,704	37,068	37,692
Total current assets		85,304	78,958	76,760
Non-current assets				
Deferred income tax assets		1,002	1,008	776
Non-current financial investments	2	23,767	23,731	24,410
Investment properties	3	24,766	24,756	24,603
Property, plant, and equipment	4	35,042	35,740	26,303
Intangible assets	4	7,284	7,244	7,659
Total non-current assets		91,861	92,479	83,751
TOTAL ASSETS	7	177,165	171,437	160,511
LIABILITIES AND EQUITY				
Liabilities				
Borrowings	5	18,366	24,385	21,354
Prepayments from customers		21,310	16,827	6,681
Trade and other payables		31,888	24,502	31,063
Tax liabilities		3,033	3,478	3,663
Current provisions		1,950	2,103	51
Total current liabilities		76,547	71,295	62,812
Borrowings	5	20,412	20,732	12,401
Other non-current liabilities		0	0	33
Total non-current liabilities		20,412	20,732	12,434
Total liabilities		96,959	92,027	75,246
Equity				
Share capital	6	11,523	11,523	11,352
Share premium		2,509	2,509	1,601
Reserves		17,815	17,768	18,278
Retained earnings		48,552	47,771	54,158
Total equity attributable to the owners of the parent company		80,399	79,571	85,389
Non-controlling interests		-193	-161	-124
Total equity		80,206	79,410	85,265
TOTAL LIABILITIES AND EQUITY		177,165	171,437	160,511

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>(EUR'000)</i>	Note	3M 2023	3M 2022
Revenue	7	45,269	37,321
Cost of sales		-39,883	-34,335
Gross profit		5,386	2,986
Distribution costs		-1,356	-1,350
Administrative expenses		-2,580	-2,665
Other income		18	56
Other expenses		-159	-152
Operating profit/loss (-)	7	1,309	-1,125
Finance income		75	39
Finance costs		-549	-119
Profit/loss (-) before tax		835	-1,205
Income tax	9	-86	-89
Profit/loss (-) for the period		749	-1,294
Profit /loss (-) attributable to:			
Owners of the parent company		781	-1,308
Non-controlling interests		-32	14
Earnings per share			
Basic earnings per share (euros)	8	0.04	-0.07
Diluted earnings per share (euros)	8	0.04	-0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(EUR'000)</i>	Note	3M 2023	3M 2022
Profit/loss (-) for the period		749	-1,294
Other comprehensive income (loss)			
<i>Items that may be reclassified to profit or loss</i>			
Impact of exchange rate changes of a foreign subsidiaries		-41	20
<i>Items that will not be reclassified to profit or loss</i>			
Gain on sales of financial assets	2	0	151
Net gain/loss (-) on revaluation of financial assets	2	36	-521
Total comprehensive income (loss) for the period		-5	-350
Other comprehensive income (loss)		744	-1,644
Total comprehensive income (loss) attributable to:			
Owners of the Company		776	-1,658
Non-controlling interests		-32	14

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(EUR'000)</i>	Note	3M 2023	3M 2022
Cash flows from operating activities			
Profit/loss (-) for the period		749	-1,294
<u>Adjustments</u>			
Depreciation and amortization, impairment	3,4	1,073	1,057
Gain on sale of property, plant and equipment		0	-2
Share-based payments	10	52	63
Finance income		-75	-39
Finance costs		549	119
Income tax	9	86	89
<u>Changes</u>			
Changes in trade receivables and prepayments		-6,777	-3,195
Changes in inventories		-7,524	-10,255
Changes in trade payables and prepayments		11,254	8,850
Corporate income tax paid	9	-317	-210
Interest paid		-419	-136
Total cash flow (-outflow) from operating activities		-1,349	-4,953
Cash flows from investing activities			
Payments for investment properties	9	-115	-726
Payments for property, plant and equipment	9	-265	-318
Payments for intangible assets		-63	-175
Acquisition of financial investments	2	0	-223
Proceeds from sale of property, plant and equipment		0	6
Proceeds from sale of other financial investments	2	0	665
Dividends received		2	0
Received interests		9	1
Total cash flow (-outflow) from investing activities		-432	-770
Cash flows from financing activities			
Change in overdraft balance	5	-4,839	5,054
Proceeds from borrowings	5	0	1,059
Repayment of borrowings	5	-1,268	-377
Repayments of lease liabilities	5	-234	-324
Total cash flow (-outflow) from financing activities		-6,341	5,412
Total net cash flow (-outflow)		-8,122	-311
Cash and cash equivalents at the beginning of the period		9,152	574
Changes in cash and cash equivalents		-8,122	-311
Effect of exchange rate fluctuations on cash and cash equivalents		-2	23
Cash and cash equivalents at the end of the period		1,028	286

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 January – 31 March (EUR'000)	Share capital	Share premium	Reserves	Retained earnings	Attributable to owners of the parent company	Non-controlling interests	Total equity
Balance at 1 January 2022	11,352	1,601	18,716	55,315	86,984	-138	86,846
Comprehensive income							
Profit for the period	0	0	0	-1,308	-1,308	14	-1,294
Other comprehensive income	0	0	-501	151	-350	0	-350
Total comprehensive income	0	0	-501	-1,157	-1,658	14	-1,644
Transactions with owners recognized directly in equity							
Share-based payments (Note 8,10)	0	0	63	0	63	0	63
Total transactions with owners	0	0	63	0	63	0	63
Balance at 31 March 2022	11,352	1,601	18,278	54,158	85,389	-124	85,265
Balance at 1 January 2023	11,523	2,509	17,768	47,771	79,571	-161	79,410
Comprehensive income							
Profit for the period	0	0	0	781	781	-32	749
Other comprehensive income	0	0	-5	0	-5	0	-5
Total comprehensive income	0	0	-5	781	776	-32	744
Transactions with owners recognized directly in equity							
Share-based payments (Note 8,10)	0	0	52	0	52	0	52
Total transactions with owners	0	0	52	0	52	0	52
Balance at 31 March 2023	11,523	2,509	17,815	48,552	80,399	-193	80,206

NOTES TO INTERIM FINANCIAL STATEMENT

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

AS Harju Elekter is a company registered in Estonia. The interim report prepared as of 31 March 2023 comprises AS Harju Elekter (the "Parent Company") and its subsidiaries AS Harju Elekter Elektrotehnika, Energo Veritas OÜ, Harju Elekter Oy, Harju Elekter Kiinteistöt Oy, Telesilta Oy, Harju Elekter AB, Harju Elekter Services AB, Harju Elekter UAB and LC Development Fastigheter 17 AB (the "Group"). AS Harju Elekter has been listed on Tallinn Stock Exchange since 30 September 1997; 30.44% of its shares are held by AS Harju KEK.

On March 13, 2023, the merger of AS Harju Elekter Elektrotehnika and AS Harju Elekter Teletehnika was entered into the commercial register. According to the merger agreement signed on 30 September 2022, AS Harju Elekter Teletehnika is the legal successor of AS Harju Elekter Elektrotehnika, and all assets of AS Harju Elekter Teletehnika were transferred to AS Harju Elekter Elektrotehnika. The merger of subsidiaries has no effect on the numbers in the consolidated report.

The consolidated interim financial statements of AS Harju Elekter 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 2022. The interim report should be read in conjunction with the Group's annual report of 2022, which is prepared in accordance with International Financial Reporting Standards (IFRS).

According to the assessment of the Management Board, the interim report for the first quarter and 3 months of 2023 of AS Harju Elekter presents a true and fair view of the financial result of the consolidation Group guided by the going-concern assumption. This interim report has been neither audited nor reviewed by auditors and only includes the consolidated reports of the Group.

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

Note 2 Financial investments

<i>(EUR '000)</i>	31.03.2023	31.12.2022	31.03.2022
Listed securities (fair value through other comprehensive income)	1,468	1,433	1,943
Other equity investments (fair value through other comprehensive income)	22,287	22,287	22,458
Other financial assets through profit or loss	12	11	9
Total	23,767	23,731	24,410
Changes	3M 2023	12M 2022	3M 2022
1. Financial assets at fair value through other comprehensive income			
Carrying amount at the beginning of the period	23,719	25,213	25,213
Acquisitions	0	227	223
Sale of financial assets	0	-995	-514
Change in fair value through other comprehensive income	36	-726	-521
Carrying amount at the end of the period	23,755	23,719	24,401
2. Financial assets at fair value through profit and loss			
Carrying amount at the beginning of the period	12	9	9
Change in fair value through profit and loss	0	3	0
Carrying amount at the end of the period	12	12	9
Total carrying amount at the end of the period	23,767	23,731	24,410

The fair value of securities increased by 36 thousand euros during the reporting period, decreased by 0.5 thousand euros in 2022.

As of 31 March 2023, other equity investments include an investment in the shares of OÜ Skeleton Technologies Group in the amount of 21.8 (31.12.2022: 21.8) million euros and in the shares of IGL-Technologies Oy in the amount of 0.5 (31.12.2022: 0.25) million euros.

AS Harju Elekter acquired a 10% stake in OÜ Skeleton Technologies Group on 3 June 2015. 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. The 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. As of the reporting date, the registered holding of Harju Elekter in OÜ Skeleton Technologies Group is 6.1%.

Note 3 Investment properties

<i>(EUR'000)</i>	Note	3M 2023	12M 2022	3M2022
Balance at the beginning of the period		24,756	23,903	23,903
Additions	7	278	1,858	964
Depreciation	7	-268	-983	-242
Reclassification from property, plant and equipment	4	0	-22	-22
At the end of the period		24,766	24,756	24,603

Note 4 Property, plant and equipment; intangible assets

<i>(EUR'000)</i>	Note	3M 2023	12M 2022	3M2022
1. Property, plant and equipment				
Balance at the beginning of the period		35,740	26,654	26,654
Additions to right-of-use assets		0	-443	0
Additions	7	258	12,917	391
Sales and write-off in carrying amount		0	-14	-7
Depreciation	7	-756	-3,114	-755
Reclassification to investment properties	3	0	22	22
Impact of exchange rate changes		-200	-282	-2
At the end of the period		35,042	35,740	26,303
2. Intangible assets				
Balance at the beginning of the period		7,244	7,544	7,544
Additions	7	89	468	175
Amortization	7	-49	-257	-60
Impairment of goodwill		0	-410	0
Impact of exchange rate changes		0	-101	0
At the end of the period		7,284	7,244	7,659

Note 5 Borrowings

<i>(EUR'000)</i>	31.03.2023	31.12.2022	31.03.2022
Current borrowings			
Current bank loans	13,896	18,735	19,206
Current portion of non-current bank loans	1,903	2,630	1,191
Current portion of non-current lease liabilities	560	792	943
Other current loans	2,007	2,228	14
Total current borrowings	18,366	24,385	21,354

	31.03.2023	31.12.2022	31.03.2022
Non-current borrowings			
Non-current bank loans	19,429	19,640	10,146
Non-current loans	0	109	0
Non-current lease liabilities	983	983	2,255
Total non-current borrowings	20,412	20,732	12,401
Total borrowings	38,778	45,117	33,755
Changes in borrowings	3M 2023	12M 2022	3M 2022
Loans and borrowings at the beginning of the period	45,117	28,338	28,338
Change in overdraft balances	-4,839	4,583	5,054
Received non-current loans through acquisition of company	0	109	0
Received non-current loans	0	13,402	1,059
Repayments of non-current loans	-938	-1,788	-377
Other received and repaid loans	-330	2,214	0
New lease liabilities	0	251	0
Repayments of non-current lease liabilities	-234	-1,328	-324
Impact of exchange rate changes	2	-664	6
Loans and borrowings at the end of the period	38,778	45,117	33,756

Note 6 Share capital

	31.03.2023	31.12.2022	31.03.2022
Share capital (thousand euros)	11,523	11,523	11,352
Number of shares (pcs)	18,289,508	18,289,508	18,018,555
Book value of a share (euros)	0.63	0.63	0.63

In 2022, AS Harju Elekter increased the share capital of the company by 170,700 euros by issuing new ordinary shares without nominal values in connection with the exercise of the employee stock option plan. A total of 270,953 ordinary shares were subscribed for at a book value of 0.63 euros per share. Following the share capital increase, the share capital of AS Harju Elekter amounted to 11,523 thousand euros divided into 18.3 million ordinary shares without a nominal value.

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. Following the intra-group restructuring that started in 2020, management of the majority of real estate objects has been transferred to separate property management companies. Starting from the accounting year, the Group's management monitors all real estate companies under the real estate sector, including those that manage the Group's production facilities, and which were previously included in the production segment. In the interim report reference period data was adjusted to ensure comparability.

(EUR '000)	Production			Real estate		
	3M 2022	reclassify -cation	3M 2022 (corrected)	3M 2022	reclassify -cation	3M 2022 (corrected)
Revenue from external customers	32,746	0	32,746	1,011	0	1,011
Inter-segment revenue	253	12	265	437	130	567
Segment revenue	32,999	12	33,011	1,447	131	1,578
Operating profit	-1,516	-21	-1,537	510	21	531
Segment assets	101,645	-3,539	98,106	27,114	3,538	30,652
Liabilities of the segment	75,262	-315	74,947	553	5,495	6,048
Capital expenditure	484	-94	390	964	94	1,058
Depreciation and amortization	632	-36	596	242	36	278

Production - manufacturing and sale of electricity distribution and control equipment as well associated activities. This segment includes the Group's companies AS Harju Elekter Elektrotehnika, AS Harju Elekter Teletehnika, Harju Elekter Oy, Harju Elekter UAB and Harju Elekter AB. From 01 January 2023, Harju Elekter Kiinteistöt Oy and Harju Elekter Services AB belong to the Real estate segment.

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 and, as of 01.01.2023, also Harju Elekter Kiinteistöt Oy and Harju Elekter Services AB.

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

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

(EUR'000)

	Note	Production	Real Estate	Other activities	Elimination	Consolidated
3 months 2023						
Revenue from external customers		42,609	1,044	1,616	0	45,269
Inter-segment revenue		101	1,412	0	-1,513	
Segment revenue		42,710	2,456	1,616	-1,513	45,269
Operating profit		788	607	-34	-52	1,309
Segment assets		97,565	41,207	37,162	-22,281	153,653
Unallocated assets						23,512
<i>incl. Financial investments</i>						23,268
<i>incl. Other receivables and prepayments</i>						244
Total assets						177,165
Liabilities of the segment		80,704	27,079	5,875	-22,278	91,380
Unallocated liabilities						5,579
<i>incl. borrowings</i>						5,131
<i>incl. accrued expenses</i>						246
<i>incl. other</i>						202
Total liabilities						96,959
Capital expenditure	3,4	236	322	67	0	625
Depreciation and amortization	3,4	538	400	139	-4	1,073
3 months 2022						
Revenue from external customers		32,746	1,011	3,564	0	37,321
Inter-segment revenue		265	567	89	-921	
Segment revenue		33,011	1,578	3,653	-921	37,321
Operating profit		-1,537	531	-196	77	-1,125
Segment assets		98,106	30,652	30,213	-22,538	136,434
Unallocated assets						24,077
<i>incl. Financial investments</i>						23,918
<i>incl. Other receivables and prepayments</i>						159
Total assets						160,511
Liabilities of the segment		74,947	6,048	8,651	-22,535	67,111
Unallocated liabilities						8,135
<i>incl. borrowings</i>						7,787
<i>incl. accrued expenses</i>						217
<i>incl. other</i>						131
Total liabilities						75,246
Capital expenditure	3,4	390	1,058	82	0	1,530
Depreciation and amortization	3,4	596	278	188	-5	1,057

Revenue by geographic regions (customer location)

<i>(EUR '000)</i>	3M 2023	3M 2022
Estonia	4,956	6,904
Finland	18,635	16,696
Sweden	6,470	5,823
Norway	4,015	4,508
Netherlands	3,888	1,538
Other	7,305	1,852
Total revenue	45,269	37,321

Revenue by business activities

<i>(EUR '000)</i>	3M 2023	3M 2022
Manufacturing and sale of electrical equipment	41,293	30,752
Retail and project-based sale of electrical products	456	2,914
Other products	88	1,320
Lease income	809	811
Electrical works	1,625	957
Other services	998	567
Total revenue	45,269	37,321

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. As at 31 March 2023, the Group had a total of 494,068 potentially issuable ordinary shares. In accordance with the resolution of the general meeting of shareholders held on 3 May 2018, the issue price of the shares acquired under share option was fixed at the average closing price of the share on the Nasdaq Tallinn Stock Exchange in the preceding three calendar years as at 31 December. The price in the 2018 round was 3.49 euros, in the 2019 round 3.98 euros and in the 2020 round 4.44 euros. From the 2018 and 2019 rounds, 549,628 shares were converted.

The resolution of the general meeting of shareholders held on 29 April 2021 approved the new 2021–2022 share option programme, under which the members of the Management Boards and key personnel of AS Harju Elekter 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 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 0.55 euros in the 2020 round and 3.55 euros in 2021. Thus, the share subscription prices within the meaning of IFRS 2 are 4.99 euros and 8.05 euros. The potential shares will only become dilutive after their average market price for the period exceeds these values. During the period from 1 January to 31 March 2023, the average market price of the shares was 5.05 (2022 Q1: 6.89) euros.

	Unit	3M 2023	3M 2022
Profit attributable to equity holders of the parent company	EUR '000	781	-1,308
Average number of shares outstanding	Pc '000	18,290	18,019
Basic earnings per share	EUR	0.04	-0.07
Adjusted number of shares during the period	Pc '000	18,291	18,080
Diluted earnings per share	EUR	0.04	-0.07

Note 9 Information on the statement of cash flows line items

(EUR'000)

	Note	3M 2023	3M 2022
Corporate income tax			
Income tax expense in the statement of profit or loss		-86	-89
Decrease (+)/increase (-) in prepayment and decrease (-)/increase (+) in liability		-237	-34
Deferred income tax expense/income		5	-87
Impact of exchange rate changes		1	0
Corporate income tax paid		-317	-210
Paid for investment properties			
Acquisitions of investment properties	3	-278	-964
Liability decrease (-)/ increase (+) incurred by the acquisitions		163	238
Paid for investment properties		-115	-726
Paid for property, plant and equipment			
Acquisitions of property, plant and equipment	4	-258	-391
Liability decrease (-)/ increase (+) incurred by the acquisitions		-6	73
Impact of exchange rate changes		-1	0
Paid for property, plant and equipment		-265	-318

Note 10 Transactions with related parties

The related parties of AS Harju Elekter 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 30.44% of the shares of AS Harju Elekter. 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:

(EUR'000)

	31.03.2022	31.12.2022	31.03.2022
Balances with related parties:			
- Payables for goods and services	137	106	223
- Payables to Management and Supervisory Boards	78	66	92
	3M 2023	12M 2022	3M 2022
Purchase of goods and services from related parties:			
- Other services, Lease of property, plant from AS Harju KEK	21	68	21
- Other services from AS Entek	372	731	314
Sale of goods and services to related parties:			
- Other services to AS Harju KEK	2	2	2
- Sale of goods and services to AS Entek	2	2	0
Remuneration of the Management and Supervisory Boards:			
- Salary, bonuses, additional other remuneration (incl. severance pay)	135	446	124
- Social security tax	45	147	41

The members of the Management Board receive remuneration in accordance with the contract and are also entitled to receive a severance payment: up to 8 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 June 2019, 94 option agreements were concluded with the Group's employees and members of the Company's management bodies on subscription rights for a total of 339,100 shares, and each of the members of the Supervisory and Management Boards of the Company were issued an option for subscribing to 8,000 shares, comprising 64,000 shares in total. During the financial year, options granted in June 2019 were exercised. The subscription period for the shares was 15 July 2022. A total of 75 current and former employees of Harju Elekter

participated in the share issue related to the exercise of the stock option program, subscribing for a total of 270,953 shares for 1,078,392.94 euros. A total of 26,247 shares were not subscribed.

In June 2020, an additional 66 option agreements were concluded with the Group's employees and members of the Company's management bodies on subscription rights for a total of 347,468 shares. As at the reporting date, 35,750 subscription rights have been cancelled. The members of the Supervisory and Management Boards of the Company were issued an option for subscribing to 10,000 shares, comprising 60,000 shares in total.

In June 2021, ten more option agreements were concluded with the members of the management board of the Group company on subscription rights for a total of 100,000 shares. In December of 2021, an additional twelve option agreements were entered into with the Group's employees and members of the company's management bodies, for a total of another 35,750 shares.

As at the reporting date, the total number of potential ordinary shares to be issued was 494,068 (31.03.2022: 762,968). During the reporting period, share-based payments recognized as labour costs totalled 52 (2022 Q1: 63) thousand euros, of which the share of the members of the Management and Supervisory Boards was 12 (2022 Q1: 11) thousand euros. The pricing of the option is disclosed in Note 8.

THE MANAGEMENT BOARD DECLARATION FOR THE UNAUDITED FINANCIAL STATEMENTS

The Management Board acknowledges its responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements for the first quarter and three month of 2023 as set out on pages 13 to 23 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 and its subsidiaries are going concerns.

Tiit Atso Chairman of the Management Board 25 April 2023



Priit Treial Member of the Management Board 25 April 2023



Aron Kuhi-Thalfeldt Member of the Management Board 25 April 2023

