



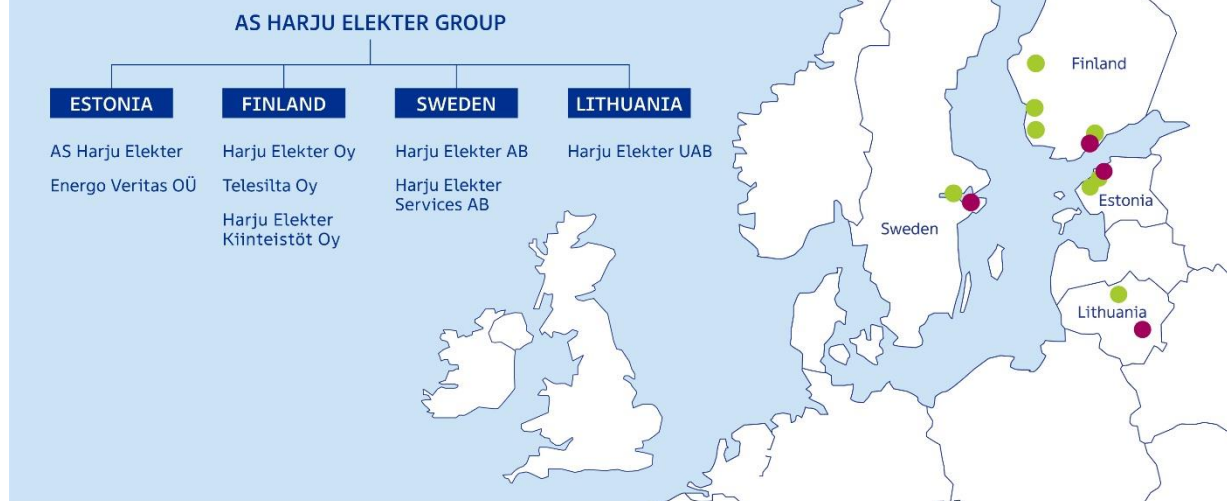
CONSOLIDATED UNAUDITED INTERIM REPORT FOR THE I QUARTER AND 3 MONTHS OF 2024

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Financial year:	1 January – 31 December 2024
Reporting period:	1 January – 31 March 2024

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ORGANISATION



AS Harju Elekter Group's share in its subsidiaries is 100%.

ESTONIA

AS HARJU ELEKTER GROUP

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

(formerly 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

Active economic activity suspended

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 Västerås

HARJU ELEKTER SERVICES AB

Industrial real estate holding company in Sweden

STRATEGICAL INVESTMENTS

ESTONIA

OÜ SKELETON TECHNOLOGIES GROUP (5.45%)

Developer and manufacturer of ultra-capacitors

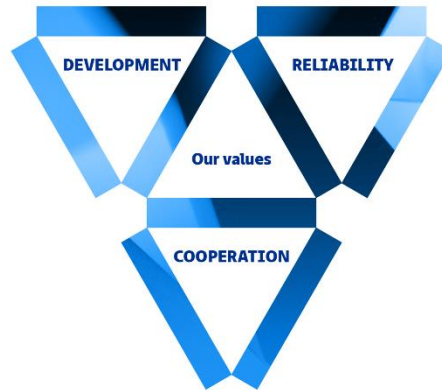
FINLAND

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.



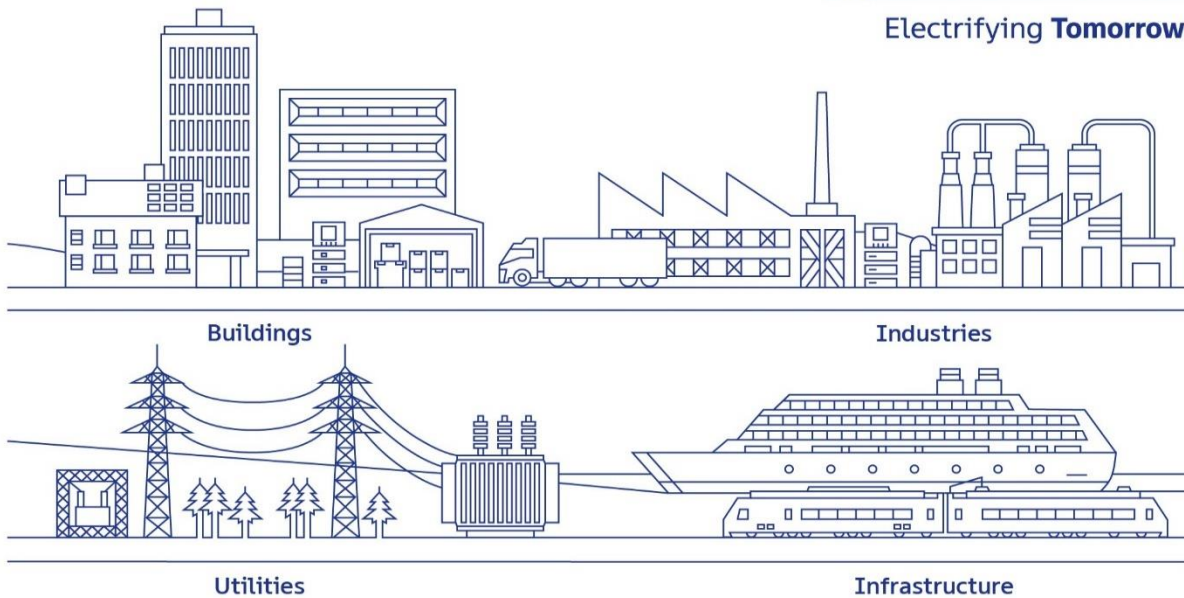
What we do

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.



Electrifying Tomorrow



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 95% 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

COMMENTARY FROM THE MANAGEMENT

Harju Elekter's 2024 began with more modest results than in the year before. In the longer term, however, it was still a strong first quarter. Despite our efforts to minimise seasonality, the Q1 and Q4 results tend to be weaker than the Q2 and Q3 results. In this year as well, the significant increase in production volumes started in March, and based on orders is expected to continue until the end of autumn.

The biggest contribution to the financial results originated from production in Lithuania, and from production in Estonia to some extent. The Finnish production unit has a number of activities ahead to restore its profitability, and we can be increasingly optimistic about the Swedish unit's return to profitability, which has taken longer time than anticipated. Amendments to the Finnish national energy network regulations that govern distribution networks had a significant economic impact on sales results in Estonia and Finland, resulting in reduced investments for the current and coming years.

On 11 March this year, the Regulation of the European Parliament and of the Council banning the use of fluorinated greenhouse gases (SF6) in electrical equipment from 2026 entered into force. For Harju Elekter, this will very likely mean that a number of electricity grid contracts will be amended or cancelled in 2025. As equipment manufacturers are only starting up their production of SF6-free equipment, a shortage situation could emerge in the market, affecting both the availability of equipment and leading to a sharp increase in prices. This, in turn, will lead to significant fluctuations in the volume of orders for complex substations before and after the commissioning date of said equipment.

By today, we have completed the restructuring commenced in the second half of 2022, which transformed the management of the Group and its subsidiaries, sharpened the focus on core activities, and provided for other important steps to be ready for the implementation of the new strategic development plan. There is no development without growth, which is why we will keep looking for opportunities to continue profitable growth in both existing and new locations.

SUMMARY OF THE FIRST QUARTER RESULTS

Revenue and financial results

Harju Elekter earned revenue of 46.8 (2023 Q1: 45.3) million euros in the reporting quarter. While revenue increased, profitability declined compared to the previous year. The three-month gross profit was 4.8 (2023 Q1: 5.4) million euros, resulting in a gross profit margin of 10.3% (2023 Q1: 11.9%). Operating profit (EBIT) amounted to 1.0 (2023 Q1: 1.3) million euros, with an operating margin of 2.1% (2023 Q1: 2.9%). Net profit for the first quarter was 0.4 (2023 Q1: 0.7) million euros. Earnings per share for the first quarter were 0.02 (2023 Q1: 0.04) euros.

Investments

During the reporting period, Harju Elekter invested a total of 0.7 (2023 Q1: 0.6) million euros in non-current assets, including 0.4 (2023 Q1: 0.3) million euros in investment properties, 0.1 (2023 Q1: 0.3) million euros in property, plant, and equipment and 0.2 (2023 Q1: 0.1) million euros in intangible assets. The investments primarily focused on extensive renovation and reconstruction works in the Keila Industrial Park, aimed at meeting the long-term needs of a tenant, Prysmian Group Baltics. Additionally, investments were made in production technology equipment and production and process management systems.

The total value of the Group's long-term financial investments as of the reporting date was 29.3 (31.12.23: 29.2) million euros. There were no acquisitions or disposals. The fair value of listed securities increased by 70 thousand euros during the reporting quarter.

Current assets

The Group's current assets increased by 9.7 million euros to 87.8 million euros during the first three months. Trade and other receivables increased by 10.2 million euros to 49.0 million euros, while inventories decreased by 0.9 million euros to 35.9 million euros. Compared to the same period last year, inventories decreased by 20%, or 8.8 million euros. During the reporting quarter, the balance of work in progress increased while the value of raw

materials decreased. Materials and components accounted for 72% (31.12.23: 79%), of total inventories at the end of the reporting period, with the remaining portion consisting of unfinished and finished goods.

Liabilities

As of the reporting date, the total amount of liabilities for the Group was 97.3 (31.12.23: 88.4 and 31.03.23: 97.0) million euros, with the current portion accounting for 76% (31.12.23: 73%). Over the year, current liabilities decreased by 2.5 million euros, but increased by 9.2 million euros during the first quarter, mainly due to seasonality. Within current liabilities, borrowings increased by 3.2 million euros, customer prepayments by 2.0 million euros, trade and other payables by 4.3 million euros, while tax liabilities decreased by 0.3 million euros during the quarter.

The total amount of non-current liabilities as of the reporting date was 23.2 million euros, nearly unchanged compared to the end of the previous year and increased by 2.8 million euros compared to the same period last year. At the end of the period, current and non-current borrowings were respectively 22.6 (31.12.23: 19.4) and 23.2 (31.12.23: 23.5) million euros.

Cash Flows

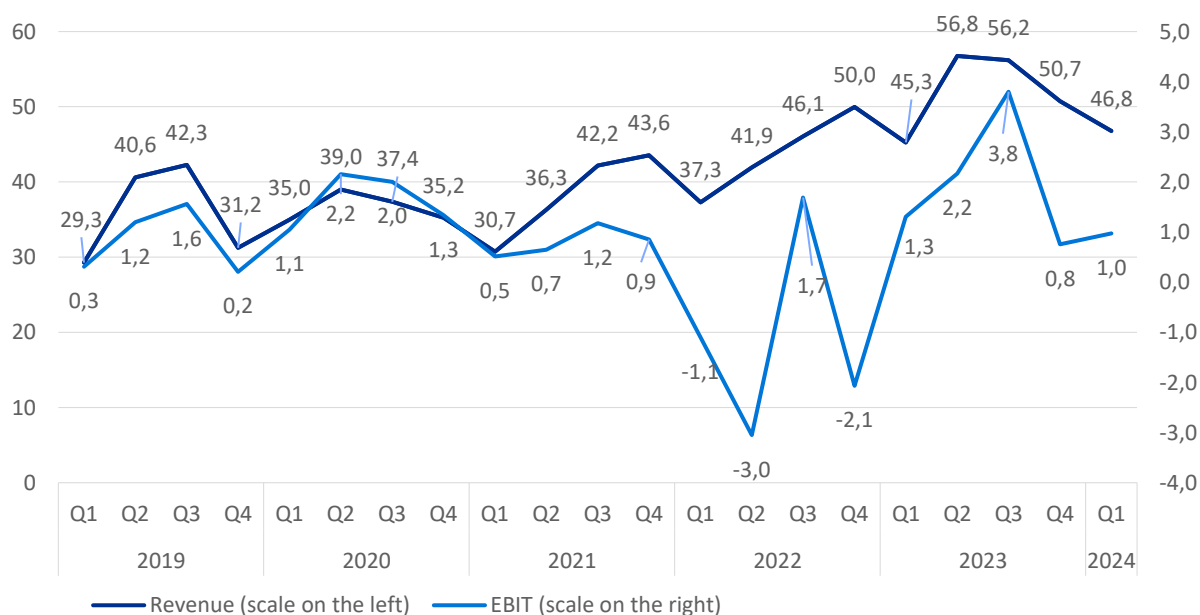
In the first quarter, the Group's cash flows from operating activities totaled -2.1 (2023 Q1: -1.3) million euros. The primary impact came from the growth in operating-related receivables, prepayments, liabilities, and deferred revenues. The company allocated resources towards product completion and realization of revenues, which in turn increased operational expenditures associated with production volume.

Investing activities directed 0.9 (2023 Q1: 0.4) million euros, entirely towards investments in real estate, tangible and intangible assets acquisitions. The cash flow from financing activities was primarily influenced by loan and lease payments. Current and non-current loans were repaid by 1.2 million euros; overdrafts and factoring liabilities increased by a total of 4.3 million euros. Overall, the cash flow from financing activities in the first quarter was 2.9 (2023 Q1: -6.3) million euros.

In summary, the company's cash flows for the reporting quarter amounted to 0.1 million euros, compared to -8.1 million euros a year earlier.

Key indicators (EUR'000)	3M 2024	3M 2023	+/-
Revenue	46,775	45,269	3.3%
Gross profit	4,836	5,386	-10.2%
EBITDA	1,941	2,382	-18.5%
Operating profit (EBIT)	976	1,309	-25.4%
Profit for the period	361	749	-51.8%
Earnings per share (EPS) (euros)	0.02	0.04	-50.0%
	31.03.24	31.03.23	+/-
Total current assets	87,794	85,304	2.9%
Total non-current assets	100,092	91,861	9.0%
Total assets	187,886	177,165	6.1%
Total liabilities	97,321	96,959	0.4%
	31.03.24	31.03.23	+/-
	2024	2023	+/-
Distribution cost to revenue	2.6	3.0	-0.4
Administrative expenses to revenue	5.4	5.7	-0.3
Labour cost to revenue	21.5	21.0	0.5
Gross margin (gross profit / revenue)	10.3	11.9	-1.6
EBITDA margin (EBITDA / revenue)	4.1	5.3	-1.2
Operating margin (EBIT / revenue)	2.1	2.9	-0.8
Net margin (profit (-) for the period / revenue)	0.8	1.7	-0.9
Inventory turnover (revenue / avg. inventories)	1.3	0.3	1.0
Return on equity (ROE) (profit (-) for the period/ avg.equity)	0.4	0.9	-0.5
	31.03.24	31.03.23	+/-
Equity ratio (equity / total assets) (%)	48.2	46.3	1.9
Current ratio (current assets / current liabilities)	1.2	1.1	0.1
Debt ratio (total liabilities/ total assets)	0.5	0.5	0.0
Quick ratio ((current assets - inventories) / current liabilities)	0.7	0.5	0.2

Business seasonality mln euros



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 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

On 2nd January, Jari Jylli assumed the position of Managing Director at Harju Elekter Oy. At the same time, he took over the duties of the Managing Director of Harju Elekter Kiinteistöt Oy, as the former Managing Director, Simo Puustelli, retired.

Intra-Group restructuring

In January, the merger of LC Development Fastigheter 17 AB, a subsidiary of Harju Elekter AB that manages the factory, with Harju Elekter Services AB was entered into the Swedish business register.

MAIN EVENTS

Recognition



On March 14th, the laureates of the 'Smart Industry 2024' industrial sector event were announced during the gala. In the category of large enterprises, AS Harju Elekter was awarded the title of **Factory of the Year 2024**.

According to the competition jury, Harju Elekter stood out as an excellent implementer of Lean methodologies, measuring the benefits derived from them. Additionally, over the past two years, the company has successfully merged and updated its two Keila factories, actively involving factory workers in development work, emphasizing clear goals and digitalization, and paying attention to workplace safety.



OPERATING RESULTS

Revenue

Revenue by business activities (EUR'000)	3M 2024	3M 2023	+/-	% 3M 2024	% 3M 2023
Electrical equipment	42,219	40,371	3.3%	90.3%	90.3%
Other products	1,253	942	33.0%	2.7%	2.1%
Lease income	1,136	809	40.4%	2.4%	1.8%
Electrical works	1,050	1,625	-35.4%	2.2%	3.6%
Other services	1,117	1,035	7.9%	2.4%	2.2%
Total	46,775	45,269	3.3%	100.0%	100.0%

The Group's revenue in the first quarter was 46.8 million euros, representing a 3.3% growth compared to the same period last year. Sales of electrical equipment showed stable growth and made a significant contribution to the company's revenue, amounting to 42.2 million euros and accounting for 90.3% of total quarterly revenue. The majority of electrical equipment sales consisted of substations, low-voltage distribution equipment, technical buildings, and subcontracting services.

Lease income from real estate properties increased significantly due to the commissioning of a new production facility in the Allika Industrial Park, reaching 1.1 million euros and thereby comprising 2.4% of total quarterly revenue.

Revenue from electrical works in the shipbuilding sector decreased mainly due to the completion of larger projects last year. The contribution of this sector to total revenue decreased by 1.4 percentage points to 2.2% in the quarter.

Revenue by segment (EUR'000)	3M 2024	3M 2023	+/-	% 3M 2024	% 3M 2023
Production	44,404	42,609	4.2%	94.9%	94.1%
Real Estate	1,321	1,044	26.5%	2.8%	2.3%
Other activities	1,050	1,616	-35.0%	2.3%	3.6%
Total	46,775	45,269	3.3%	100.0%	100.0%

The main production output of the manufacturing segment consists of equipment for medium and low-voltage electrical distribution, various electrical switching and transforming devices, as well as automation and control panels for energy, industrial, marine, and infrastructure projects. Additionally, companies within the manufacturing segment also provide various design and engineering services. The production segment's revenue increased by 4.2% compared to previous quarters, amounting to 44.4 million euros. Significant revenue growth was driven by the Lithuanian production unit, focusing on developing products and solutions for system integrators and contract manufacturing in the marine and industrial sectors, delivering specially designed energy distribution and frequency inverter devices for specific customer needs. The manufacturing segment accounted for 94.9% of consolidated revenue in the reporting quarter.

Harju Elekter Group's real estate unit engages in industrial real estate development, project management, leasing, and related services. In the reporting quarter, revenue from real estate segment services amounted to 1.3 (2023 Q1: 1.0) million euros, comprising 2.8% (2023 Q1: 2.3%) of total revenue.

Revenue from other activities decreased by 0.6 million euros compared to the same period last year, totaling 1.0 million euros in the first quarter. The decline in revenue was influenced by a decrease in electrical works compared to the previous year. Revenue from other activities accounted for 2.3% of quarterly revenue.

Revenue by markets (EUR '000)	3M 2024	3M 2023	+/-	% 3M 2024	% 3M 2023
Estonia	4,469	4,956	-9.8%	9.6%	10.9%
Finland	16,978	18,635	-8.9%	36.3%	41.2%
Sweden	6,901	6,470	6.7%	14.8%	14.3%
Norway	9,325	4,015	132.3%	19.9%	8.9%
Germany	2,223	2,487	-10.6%	4.8%	5.5%
Netherlands	1,044	3,888	-73.1%	2.2%	8.6%
Other	5,835	4,818	21.1%	12.4%	10.6%
Total	46,775	45,269	3.3%	100.0%	100.0%

The Group's first-quarter revenue by market reflected diverse developments compared to the same period last year. The Group's largest target markets, Estonia, Finland, Sweden, and Norway, together accounted for 80.6% of total revenue in the first quarter, representing a significant increase compared to the previous year (2023 Q1: 75.3%).

Estonia and Finland markets were more modest compared to the previous year. In the reporting quarter, revenue from Estonia amounted to 4.5 (2023 Q1: 5.0) million euros, comprising 9.6% (2023 Q1: 10.9%) of consolidated revenue. Sales of substations and cable distribution cabinets to electricity distribution sector clients decreased, while rental income from real estate properties increased. From the Finnish market, revenue amounted to 17.0 million euros, which is 8.9% less than the previous year. The majority portion of the revenue decline was due to reduced sales of electrical equipment and electrical works. Sales of substations to electricity distribution sector customers and electric vehicle chargers remained modest.

There was a significant growth in the Norwegian market, where revenue doubled to 9.3 million euros, primarily from the sale of low-voltage equipment to maritime sector customers. The Norwegian market accounted for 19.9% of consolidated revenue in the reporting quarter. Revenue from the Swedish market also slightly increased, reaching 6.9 (2023 Q1: 6.5) million euros, indicating stable development in this market segment.

Revenue from Germany and the Netherlands was somewhat lower compared to the previous year, amounting to 2.2 (2023 Q1: 2.5) and 1.0 (2023 Q1: 3.9) million euros, respectively. Revenue from other smaller markets amounted to 5.8 (2023 Q1: 4.8) million euros, with more sales primarily to the USA, Lithuania, and Spain.

Operating expenses

(EUR '000)	3M 2024	3M 2023	+/-	% 3M 2024	% 3M 2023
Cost of sales	41,940	39,884	5.2%	91.9%	91.0%
Distribution costs	1,196	1,356	-11.8%	2.6%	3.1%
Administrative expenses	2,517	2,580	-2.4%	5.5%	5.9%
Total operating expenses	45,653	43,820	4.2%	100.0%	100.0%
<i>incl. depreciation, amortization</i>	965	1,073	-10.1%	2.1%	2.4%
<i>incl. total labour cost</i>	10,052	9,511	5.7%	22.0%	21.7%
<i>incl. inclusive salary cost</i>	8,176	7,222	13.2%	17.9%	16.5%

The Group's operating expenses in the reporting quarter totaled 45.7 (2023 Q1: 43.8) million euros. The main part of the increase in operating expenses came from a 5.2% rise in the costs of goods sold and services, which lagged behind the growth rate of revenue by 1.9 percentage points in the first quarters. The gross profit margin decreased by 1.6 percentage points compared to the comparable first quarter, reaching 10.3%. The product portfolio has remained unchanged compared to a year ago, but the unique characteristics of projects and changes in the proportion of products sold and market share, along with increased labour costs, have impacted gross profit. There has been some increase in material and component prices in certain categories.

Marketing expenses decreased by 11.8% to 1.2 million euros, representing 2.6% of both the Group's operating expenses and revenue. Administrative expenses decreased by 2.4% to 2.5 million euros compared to previous quarters, representing 5.5% of the Group's operating expenses and 5.4% of revenue for the reporting quarter. Depreciation and amortization cost amounted to 1.0 (2023 Q1: 1.1) million euros in the reporting quarter.

Labour costs increased by 5.7% compared to previous quarters, amounting to 10.0 million euros. Labour costs represented 21.5% (2023 Q1: 21.0%) of the Group's revenue in the reporting quarter. The average monthly salary per employee in the first quarter of 2024 was 2,862 (2023 Q1: 2,568) euros, representing an 11.4% increase compared to the previous year.

PERSONNEL

In the reporting quarter, Harju Elekter's teams continued their participation in the values program, whose three main pillars - **DEVELOPMENT**, **COOPERATION** and **TRUST** - reflect the Group company's business activities and interactions with colleagues, customers, and partners. As part of the program, a values-based management training was organized for all leaders of the Lithuanian subsidiary.

In each Harju Elekter unit, follow-up actions were agreed based on feedback from employee surveys to ensure team well-being and satisfaction. Participation took place in several career fairs, focusing on identifying young talent and engineers, including events at TalTech and Tallinn University of Applied Sciences.

As of the end of the reporting period, the Group employed a total of 964 people, which is 7 fewer employees than the previous year. The average number of employees was 953 people, showing a slight increase compared to the previous year. The largest growth occurred in the production units in Lithuania and Finland, while the number of employees decreased significantly in the Estonian production.

	Average numbers of employees		Numbers of employees					
	3M 2024	3M 2023	31.03.24	31.03.23	+/-	% 31.03.24	% 31.03.23	
Estonia	335	356	339	377	-38	35.2%	38.8%	
Finland	214	196	224	197	27	23.2%	20.3%	
Lithuania	356	317	347	329	18	36.0%	33.9%	
Sweden	48	67	54	68	-14	5.6%	7.0%	
Total	953	936	964	971	-7	100.0%	100.0%	



Harju Elekter Estonia team celebrating the Factory of the Year 2024 title.

SHARES AND SHAREHOLDERS

Security trading history	3M 2024	2023	2022	2021	2020
Opening price (euros)	4.97	5.01	7.44	5.24	4.26
Highest price (euros)	4.99	5.31	7.74	10.50	5.26
Lowest price (euros)	4.77	4.90	4.85	5.20	3.20
Closing price (euros)	4.79	4.97	5.01	7.44	5.18
Traded shares (pcs)	159,146	1,154,685	929,491	2,048,865	1,160,598
Turnover (in million euros)	0.78	5.82	5.60	15.85	4.99
Capitalisation (in million euros)	88.52	91.94	91.63	134.06	91.89
Average number of the shares (pcs)	18,498,770	18,355,774	18,134,463	17,855,220	17,739,880
EPS (euros)	0.02	0.28	-0.31	0.15	0.31

Price of AS Harju Elekter Group's share (in euros) on Nasdaq Tallinn Stock Exchange between 31 December 2019 – 31 March 2024 (Nasdaq Tallinn, <http://www.nasdaqbaltic.com/>)



Division of shareholders by size of holding and list of shareholders with more than 10% holding as of 31 March 2024:

Holding	No of shareholders	% of all shareholders	% of votes held	Shareholders	Holding (%)
> 10%	2	0.0	40.1	AS Harju KEK	30.10
1.0 - 10.0%	7	0.1	19.3	ING Luxembourg S.A.	10.02
0.1 - 1.0 %	61	0.5	16.0	Shareholders holding under 10%	59.88
< 0.1%	11,033	99.4	24.6	Total	100.00
Total	11,103	100.0	100.0		

As of 31 March 2024, AS Harju Elekter Group had 11,103 shareholders. During the quarter, the number of shareholders decreased by 61. The largest shareholder of AS Harju Elekter Group is AS Harju KEK, a company based on local capital which holds 30.10% of AS Harju Elekter Group's share capital. On 31 March 2024, the members of the Supervisory and Management Boards owned, in accordance with their direct and indirect ownerships, in total of 4.32% of AS Harju Elekter Group shares. The complete list of shareholders of AS Harju Elekter Group is available on the website of the Nasdaq CSD <https://nasdaqcsd.com/statistics/en/shareholders>.

INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(EUR'000)</i>	Note	31.03.2024	31.12.2023	31.03.2023
ASSETS				
Current assets				
Cash and cash equivalents		1,444	1,381	1,028
Trade and other receivables		49,050	38,837	37,627
Prepayments		1,400	1,071	1,945
Inventories		35,900	36,834	44,704
Total current assets		87,794	78,123	85,304
Non-current assets				
Deferred income tax assets		868	731	1,002
Non-current financial investments	2	29,313	29,244	23,767
Investment properties	3	28,922	28,856	24,766
Property, plant, and equipment	4	33,549	34,067	35,042
Intangible assets	4	7,440	7,354	7,284
Total non-current assets		100,092	100,252	91,861
TOTAL ASSETS	7	187,886	178,375	177,165
LIABILITIES AND EQUITY				
Liabilities				
Borrowings	5	22,576	19,387	18,366
Prepayments from customers		20,946	18,870	21,310
Trade and other payables		27,432	23,159	31,888
Tax liabilities		2,978	3,308	3,033
Current provisions		150	140	1,950
Total current liabilities		74,082	64,864	76,547
Borrowings	5	23,207	23,481	20,412
Other non-current liabilities		32	32	0
Total non-current liabilities		23,239	23,513	20,412
Total liabilities		97,321	88,377	96,959
Equity				
Share capital	6	11,655	11,655	11,523
Share premium		3,306	3,306	2,509
Reserves		23,261	23,055	17,815
Retained earnings		52,343	51,982	48,552
Total equity attributable to the owners of the parent company		90,565	89,998	80,399
Non-controlling interests		0	0	-193
Total equity		90,565	89,998	80,206
TOTAL LIABILITIES AND EQUITY		187,886	178,375	177,165

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>(EUR'000)</i>	Note	3M 2024	3M 2023
Revenue	7	46,775	45,269
Cost of sales		-41,939	-39,883
Gross profit		4,836	5,386
Distribution costs		-1,195	-1,356
Administrative expenses		-2,517	-2,580
Other income		19	18
Other expenses		-167	-159
Operating profit	7	976	1,309
Finance income		92	75
Finance costs		-590	-549
Profit before tax		478	835
Income tax	9	-117	-86
Profit for the period		361	749
Profit attributable to:			
Owners of the parent company		361	781
Non-controlling interests		0	-32
Earnings per share			
Basic earnings per share (euros)	8	0.02	0.04
Diluted earnings per share (euros)	8	0.02	0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(EUR'000)</i>	Note	3M 2024	3M 2023
Profit for the period		361	749
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Impact of exchange rate changes of a foreign subsidiaries		106	-41
<i>Items that will not be reclassified to profit or loss</i>			
Gain on sales of financial assets	2	0	0
Net gain on revaluation of financial assets	2	70	36
Total comprehensive income for the period		176	-5
Other comprehensive income		537	744
Total comprehensive income attributable to:			
Owners of the Company		537	776
Non-controlling interests		0	-32

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR'000)

	Note	3M 2024	3M 2023
Cash flows from operating activities			
Profit for the period		361	749
<u>Adjustments</u>			
Depreciation, amortization and impairment	3,4	963	1,073
Gain on sale of property, plant and equipment		-1	0
Share-based payments	10	30	52
Finance income		-92	-75
Finance costs		590	549
Income tax	9	117	86
<u>Changes</u>			
Changes in trade receivables and prepayments		-11,222	-6,777
Changes in inventories		934	-7,524
Changes in trade payables and prepayments		6,760	11,254
Corporate income tax paid	9	-76	-317
Interest paid		-484	-419
Total cash flow (-outflow) from operating activities		-2,120	-1,349
Cash flows from investing activities			
Payments for investment properties	9	-555	-115
Payments for property, plant and equipment	9	-184	-265
Payments for intangible assets		-185	-63
Proceeds from sale of property, plant and equipment		33	0
Received interests		4	9
Dividends received		3	2
Total cash flow (-outflow) from investing activities		-884	-432
Cash flows from financing activities			
Change in overdraft balance and current borrowings	5	3,184	-4,839
Repayment of non-current borrowings	5	-1,156	-221
Other loans received and repaid	5	1,082	-1,047
Repayments of lease liabilities	5	-200	-234
Total cash flow (-outflow) from financing activities		2,910	-6,341
Total net cash flow (-outflow)		-94	-8,122
Cash and cash equivalents at the beginning of the period			
Changes in cash and cash equivalents		-94	-8,122
Effect of exchange rate fluctuations on cash and cash equivalents		157	-2
Cash and cash equivalents at the end of the period		1,444	1,028

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 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
Balance at 1 January 2024	11,655	3,306	23,055	51,982	89,998	0	89,998
Comprehensive income							
Profit for the period	0	0	0	361	361	0	361
Other comprehensive income	0	0	176	0	176	0	176
Total comprehensive income	0	0	176	361	537	0	537
Transactions with owners recognized directly in equity							
Share-based payments (Note 8,10)	0	0	30	0	30	0	30
Total transactions with owners	0	0	30	0	30	0	30
Balance at 31 March 2024	11,655	3,306	23,261	52,343	90,565	0	90,565

NOTES TO INTERIM FINANCIAL STATEMENT

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

AS Harju Elekter Group is a company registered in Estonia. The interim report prepared as of 31 March 2024 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.

On January, 2024, the merger of AS Harju Elekter Group's Swedish subsidiaries AS Harju Elekter Group LC Development Fastigheter 17 AB with Harju Elekter Services AB was entered into the commercial register.

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 2023. The interim report should be read in conjunction with the Group's annual report of 2023, 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 2024 of AS Harju Elekter Group presents a true and fair view of the financial result of the consolidation Group guided by the going-concern assumption. This interim report has been neither audited nor reviewed by auditors and only includes the consolidated reports of the Group.

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

Note 2 Financial investments

<i>(EUR'000)</i>	31.03.2024	31.12.2023	31.03.2023
Listed securities (fair value through other comprehensive income)	1,618	1,548	1,468
Other equity investments (fair value through other comprehensive income)	27,687	27,687	22,287
Other financial assets through profit or loss	8	9	12
Total	29,313	29,244	23,767
Changes	3M 2024	12M 2023	3M 2023
1. Financial assets at fair value through other comprehensive income			
Carrying amount at the beginning of the period	29,235	23,719	23,719
Acquisitions	0	0	0
Sale of financial assets	0	0	0
Change in fair value through other comprehensive income	70	5,516	36
Carrying amount at the end of the period	29,305	29,235	23,755
2. Financial assets at fair value through profit and loss			
Carrying amount at the beginning of the period	9	12	12
Change in fair value through profit and loss	-1	-3	0
Carrying amount at the end of the period	8	9	12
Total carrying amount at the end of the period	29,313	29,244	23,767

As of 31 March 2024, other equity investments include an investment in the shares of IGL-Technologies Oy in the amount of 0.5 (31.03.23: 0.5) million euros and in the shares of OÜ Skeleton Technologies Group in the amount of 27.2 (31.03.2023: 21.8 and 31.12.23: 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. 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.

Note 3 Investment properties

<i>(EUR'000)</i>	Note	3M 2024	12M 2023	3M 2023
Balance at the beginning of the period		28,856	24,756	24,756
Additions	7	377	5,175	278
Depreciation	7	-311	-1,074	-268
At the end of the period		28,922	28,857	24,766

Note 4 Property, plant and equipment; intangible assets

<i>(EUR'000)</i>	Note	3M 2024	12M 2023	3M 2023
1. Property, plant and equipment				
Balance at the beginning of the period		34,067	35,740	35,740
Additions to right-of-use assets		0	76	0
Additions	7	147	1,376	258
Sales and write-off in carrying amount		-43	-84	0
Depreciation	7	-585	-3,001	-756
Reclassification to inventories		4	-35	0
Impact of exchange rate changes		-41	-5	-200
At the end of the period		33,549	34,067	35,042
2. Intangible assets				
Balance at the beginning of the period		7,354	7,244	7,244
Additions	7	153	398	89
Amortization	7	-67	-290	-49
Impact of exchange rate changes		0	2	0
At the end of the period		7,440	7,354	7,284

Note 5 Borrowings

<i>(EUR'000)</i>	31.03.2024	31.12.2023	31.03.2023
Current borrowings			
Current bank loans and overdrafts	17,393	14,209	13,896
Current portion of non-current bank loans	2,718	3,600	1,903
Current portion of non-current lease liabilities	499	694	560
Factoring liability	1,966	884	2,007
Total current borrowings	22,576	19,387	18,366
Non-current borrowings			
Non-current bank loans	22,278	22,552	19,429
Non-current lease liabilities	929	929	983
Total non-current borrowings	23,207	23,481	20,412
Total borrowings	45,783	42,868	38,778

Changes in borrowings	3M 2024	12M 2023	3M 2023
Loans and borrowings at the beginning of the period	42,868	45,117	45,117
Change in overdraft balances	3,184	-4,526	-4,839
Received non-current loans	0	6,218	0
Repayments of non-current loans	-1,156	-2,444	-938
Other received and repaid loans	1,082	-1,330	-330
New lease liabilities	0	647	0
Repayments of non-current lease liabilities	-200	-838	-234
Other changes	0	-14	0
Impact of exchange rate changes	5	38	2
Loans and borrowings at the end of the period	45,783	42,868	38,778

Note 6 Share capital

	31.03.2024	31.12.2023	31.03.2023
Share capital (thousand euros)	11,655	11,655	11,523
Number of shares (pcs)	18,498,770	18,498,770	18,289,508
Book value of a share (euros)	0.63	0.63	0.63

In 2023, AS Harju Elekter Group increased the share capital of the company by 131,835 euros by issuing new ordinary shares without nominal values in connection with the exercise of the employee stock option plan. A total of 209,262 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 Group amounted to 11,655 thousand euros divided into 18.5 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.

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

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

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

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

(EUR'000)	Note	Production	Real Estate	Other activities	Elimination	Consolidated
3 months 2024						
Revenue from external customers		44,404	1,321	1,050	0	46,775
Inter-segment revenue		114	1,409	0	-1,523	0
Segment revenue		44,518	2,730	1,050	-1,523	46,775
Operating profit		306	923	-223	-32	974
Segment assets		111,638	34,650	45,853	-33,220	158,921
Unallocated assets						28,965
<i>incl. Financial investments</i>						28,818
<i>incl. Other receivables and prepayments</i>						147
Total assets						187,886
Liabilities of the segment		92,688	445	5,049	-33,220	64,962
Unallocated liabilities						32,359
<i>incl. borrowings</i>						31,361
<i>incl. accrued expenses</i>						688
<i>incl. other</i>						310
Total liabilities						97,321
Capital expenditure	3,4	192	377	108	0	677
Right-of-use assets		0	0	0	0	0
Depreciation and amortization	3,4	399	429	139	-4	963

(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	0
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

Revenue by geographic regions (customer location)

(EUR'000)	3M 2024	3M 2023
Estonia	4,469	4,956
Finland	16,978	18,635
Sweden	6,901	6,470
Norway	9,325	4,015
Germany	2,223	2,487
Netherlands	1,044	3,888
Other	5,835	4,818
Total revenue	46,775	45,269

Revenue by business activities*(EUR '000)*

	3M 2024	3M 2023
Manufacturing and sale of electrical equipment	42,219	40,371
Other products	1,253	88
Lease income	1,136	809
Electrical works	620	1,625
Other services	1,547	998
Total revenue	46,775	45,269

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 programme, under which the members of the Management Boards and key personnel of AS Harju Elekter Group and its subsidiaries are entitled to receive share options. The issue price of the shares to be acquired on the basis of the option is the average of the closing prices of the shares for the calendar years of 2018, 2019, and 2020 on the Nasdaq Tallinn Stock Exchange as of 31 December, i.e., 4.50 euros per share. As at 31 March 2023, the Group had a total of 153,500 potentially issuable ordinary shares.

As to share-based compensation to which IFRS 2 requirements apply, the subscription price of shares will continue to include the cost of the services provided by employees for the share-based compensation. The value of the service was estimated by an independent expert at 3.55 euros in the 2021 round and 1.52 euros in 2022. Thus, the share subscription prices within the meaning of IFRS 2 are 8.05 euros and 6.02 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 2024, the average market price of the shares was 4.89 (2023 Q1: 5.05) euros.

	Unit	3M 2024	3M 2023
Profit attributable to equity holders of the parent company	EUR '000	361	781
Average number of shares outstanding	Pc '000	18,499	18,290
Basic earnings per share	EUR	0.02	0.04
Adjusted number of shares during the period	Pc '000	18,499	18,291
Diluted earnings per share	EUR	0.02	0.04

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		-117	-86
Decrease (+)/increase (-) in prepayment and decrease (-)/increase (+) in income tax liability		177	-237
Dividend income tax expense		0	0
Deferred income tax expense/income		-137	5
Impact of exchange rate changes		1	1
Corporate income tax paid		-76	-317
Paid for investment properties			
Acquisitions of investment properties	3	-377	-278
Liability decrease (-)/ increase (+) incurred by the acquisitions		-178	163
Paid for investment properties		-555	-115
Paid for property, plant and equipment			
Acquisitions of property, plant and equipment	4	-147	-258
Liability decrease (-)/ increase (+) incurred by the acquisitions		-38	-6
Impact of exchange rate changes		1	-1
Paid for property, plant and equipment		-184	-265

Note 10 Transactions with related parties

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

<i>(EUR'000)</i>	31.03.2024	31.12.2023	31.03.2023
Balances with related parties:			
- Payables for goods and services	127	136	137
- Payables to Management and Supervisory Boards	121	82	78
- Bonus reserve for Management board	98	98	0
	3M 2024	12M 2022	3M 2023
Purchase of goods and services from related parties:			
- Other services, Lease of property, plant from AS Harju KEK	21	111	21
- Other services from AS Entek and Ellex Raidla Advokaadibüroo OÜ	371	1,010	372
Sale of goods and services to related parties:			
- Other services to AS Harju KEK	1	1	2
- Sale of goods and services to AS Entek	4	4	2
- Rental service for HeBA Clinic OÜ	1	1	0
Remuneration of the Management and Supervisory Boards:			
- Salary, bonuses, additional other remuneration	137	556	135
- Social security tax	45	183	45

The members of the Management Board receive remuneration in accordance with the contract and are also entitled to receive a severance payment: up to 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 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 153,500 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 recognized as labour costs totalled 30 (Q1 2023: 52) thousand euros, of which the share of the members of the Management and Supervisory Boards was 10 (Q1 2023: 12) 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 tree month of 2024 and confirms that to the best of its knowledge, information and belief that:

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

Tiit Atso Chairman of the Management Board 23 April 2024



Priit Treial Member of the Management Board 23 April 2024



Aron Kuhi-Thalfeldt Member of the Management Board 23 April 2024

