



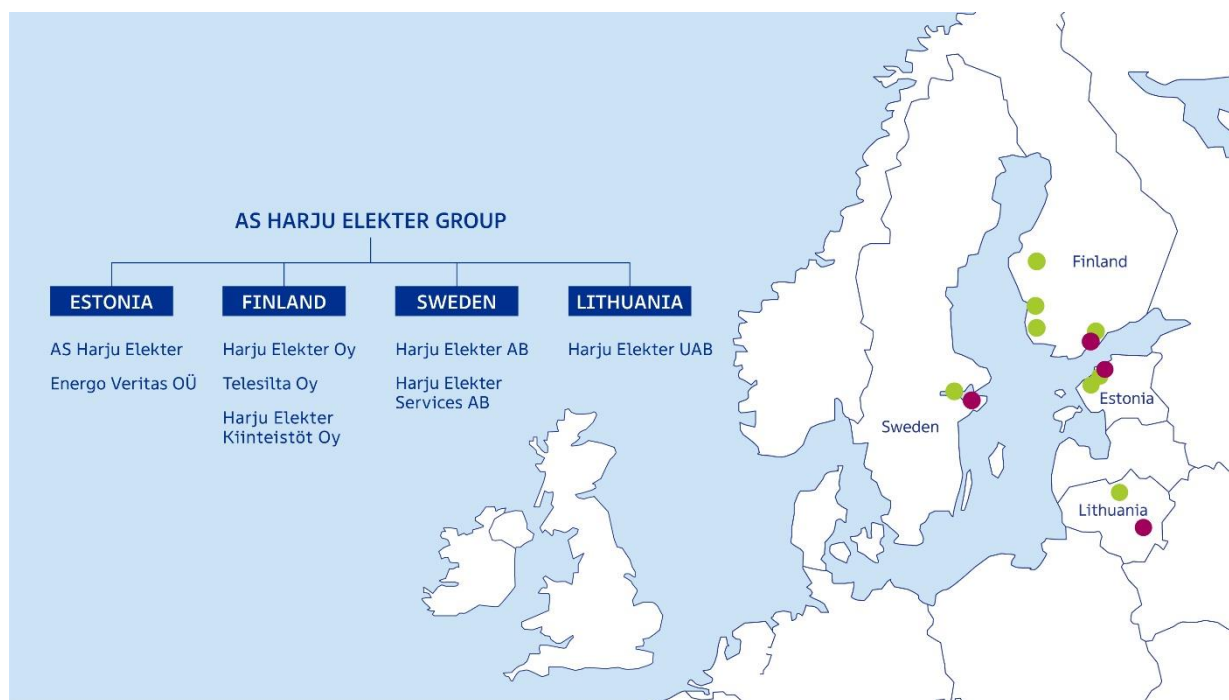
CONSOLIDATED UNAUDITED INTERIM REPORT FOR THE IV QUARTER AND 12 MONTHS OF 2024

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Auditor:	AS PricewaterhouseCoopers
Financial year:	1 January – 31 December 2024
Reporting period:	1 January – 31 December 2024

TABLE OF CONTENTS

ORGANISATION	3
MANAGEMENT REPORT	5
COMMENTARY FROM THE MANAGEMENT	5
SUMMARY OF THE FOURTH QUARTER AND 12 MONTH RESULTS	5
SUPERVISORY, AUDIT COMMITTEE AND MANAGEMENT BOARDS	8
CHANGES IN THE STRUCTURE OF THE GROUP	8
MAIN EVENTS	8
OPERATING RESULTS	9
<i>Revenue</i>	9
<i>Operating expenses</i>	11
PERSONNEL	12
SHARES AND SHAREHOLDERS	13
INTERIM FINANCIAL STATEMENT	14
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONSOLIDATED STATEMENT OF PROFIT AND LOSS	15
CONSOLIDATED STATEMENT OF CASH FLOWS	16
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	17
NOTES TO INTERIM FINANCIAL STATEMENT	18
<i>Note 1 Accounting methods and valuation principles used in the consolidated interim report</i>	18
<i>Note 2 Financial investments</i>	18
<i>Note 3 Investment properties</i>	19
<i>Note 4 Property, plant and equipment and intangible assets</i>	19
<i>Note 5 Borrowings</i>	19
<i>Note 6 Share capital</i>	20
<i>Note 7 Segment reporting</i>	20
<i>Note 8 Basic and diluted earnings per share</i>	22
<i>Note 9 Information on the statement of cash flows line items</i>	22
<i>Note 10 Transactions with related parties</i>	23
THE MANAGEMENT BOARD DECLARATION FOR THE UNAUDITED FINANCIAL STATEMENTS	24

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

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 Panevėžys

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

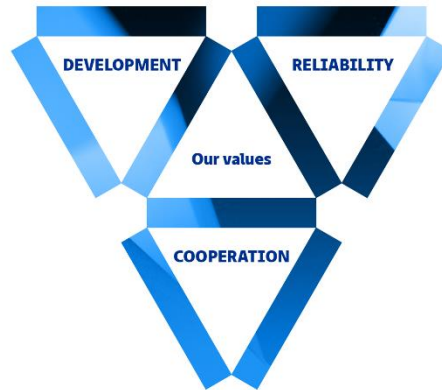
FINLAND

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.



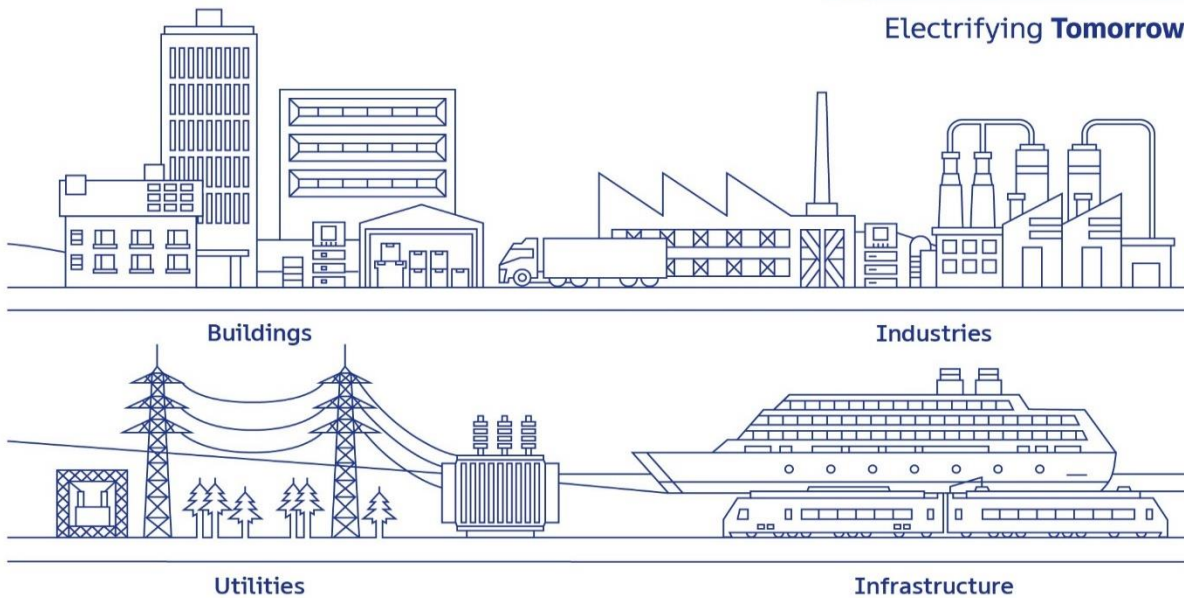
What we do

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 94% 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

The fourth-quarter results of Harju Elekter continued to be affected by low order volumes. Although the decline in orders could be foreseen as early as the spring of 2024, it had a larger-than-expected impact on fourth-quarter revenue, which declined significantly. The decline in revenue presented a challenge in terms of covering overhead costs and maintaining profitability. However, further reductions in overhead costs, in particular staff costs, would have affected competence and limited opportunities for the sustainable growth of business volumes. Nevertheless, the group continues to operate in savings mode, carefully considering each expense and investment.

On the positive side, the volume of sales orders increased in the fourth quarter. As previously predicted, its impact will not be noticeable until the peak production season, which will be in the second and third quarters of 2025. Therefore, the low season in economic results is expected to continue in the first quarter.

Although the results of the preceding financial year fall short of expectations, it should be noted that the group has managed to exceed the revenue and operating profit of 2024 on only two occasions in the past. However, this is no reason to be satisfied. It is the priority of the Management Board to improve performance results in the coming years. The new strategic plan approved by the Supervisory Board at the beginning of 2025 creates the necessary prerequisites for achieving this objective, considering both market trends and growth opportunities for electrification.

The Management Board of Harju Elekter will propose the distribution of dividends in the notice for calling a general meeting, based on the business volumes at the beginning of the year and the forecast for 2025.

SUMMARY OF THE FOURTH QUARTER AND 12 MONTH RESULTS

Revenue and financial results

The fourth quarter was challenging for the Group, but the stability achieved in the preceding months helped to maintain a positive result for the full year. Quarterly revenue decreased by 41% year-on-year, amounting to 30.0 (2023 Q4: 50.7) million euros, reflecting the stabilization of order volumes and adaptation to changing market conditions. The revenue for the reporting year was 174.7 (2023: 209.0) million euros. Although the revenue decreased, the Group maintained a strong market position despite a challenging economic environment.

The results were influenced by the change in the economic environment and demand which the company responded to in an operational and flexible manner. The gross profit for the fourth quarter was 1,778 (2023 Q4: 4,218) thousand euros, and the gross profit margin was 5.9% (2023 Q4: 8.3%). Operating loss (EBIT) for the fourth quarter was -1,726 (2023 Q4 operating profit: 758) thousand euros, leading to an operating margin of -5.8% (2023 Q4: 1.5%). The net loss was -2,303 (2023 Q4 net profit: 135) thousand euros, and net loss per share was -0.12 (2023 Q4: 0.01) euros. The results were mainly influenced by the slower adjustment of production costs to lower order volumes, especially as sales volumes have grown rapidly in recent years. However, the company has taken measures to balance these factors, ensuring a more efficient cost structure and better adaptation to changing market conditions.

For the full year, the Group achieved a positive result, although weaker fourth-quarter figures reduced overall profitability compared to the previous year. In 2024, gross profit was 20,899 (2023: 23,588) thousand euros, and the gross profit margin improved to 12.0% (2023: 11.3%). Operating profit (EBIT) amounted to 6,408 (2023: 8,078) thousand euros, and net profit was 3,175 (2023: 5,160) thousand euros. Net profit per share was 0.17 (2023: 0.28) euros. The increase in profitability in the first half of the year was supported by the resolution of supply chain difficulties, higher order volumes in the second quarter, and optimisation of the number of employees, which led to improvements in efficiency and the cost base. Although the volume of work and the number of orders decreased in the second half of the year, the normalization of the market establishes the prerequisites for more stable growth in the future. Compared to 2023, the results were also affected by the fact that last year's settlement of the dispute over the framework contract for hermetic distribution transformers led to higher profitability, lessening of previous reserves, and a short-term rise in profits.

Investments

During the reporting year, Harju Elekter invested a total of 3.8 (2023: 6.9) million in non-current assets, including 1.8 (2023: 5.2) million in investment properties, 0.9 (2023: 1.4) million in property, plant, and equipment, and 1.1

(2023: 0.4) million euros in intangible assets. The investments included large-scale renovation and reconstruction work at the Keila industrial park, aimed at meeting the needs of the long-term tenant. Additionally, production technology assets were acquired, and production and process management systems were developed.

As of the reporting date, the value of the Group's long-term financial investments was 27.7 (31.12.23: 29.2) million euros. In the second quarter, most of the listed securities were sold. The fair value of securities declined both in the reporting quarter and throughout the year, decreasing by a total of 71 thousand euros.

Current assets

The Group's current assets decreased by 9.9 million in the fourth quarter and by 22.8 million over the full year, reaching 55.3 million euros at year-end. The main impact came from a significant decrease in inventory, which declined by 2.9 million in the quarter and by 17.0 million over the year, amounting to 19.8 million euros. Compared to the previous year's balance, this represented an 46% decrease. The reduction in inventories was due to the stabilization of production volumes and the resolution of supply chain difficulties from previous years. By the end of the reporting period, materials and components accounted for 75% of total inventories, with the remaining portion consisting of work-in-progress and finished goods.

Trade and other receivables decreased significantly, by 9.9 million euros in the fourth quarter and by 9.2 million euros over the year, reaching 29.6 million euros. Meanwhile, the cash balance increased by 2.4 million euros over the year, and prepayments grew by 1.0 million euros.

Liabilities

Liabilities decreased significantly - with a reduction of 7.6 million in the fourth quarter and 25.7 million over the full year, reaching 62.7 (31.12.23: 88.4) million euros as of the reporting date. Of this, current liabilities accounted for 68% (2023: 73%). Current liabilities decreased by 22.4 million over the year and by 4.3 million euros in the fourth quarter.

Current borrowings also decreased substantially during the reporting year, dropping by 9.5 to 9.8 (31.12.23: 19.4) million euros. Prepayments from customers fell by 7.3 to 11.6 (31.12.23: 18.9) million euros, and trade and other payables decreased by 5.7 to 17.5 (31.12.23: 23.2) million euros. Tax liabilities remained at 3.3 million euros.

The total amount of non-current liabilities as of the reporting date was 20.2 (31.12.23: 23.5) million euros, reflecting the declining trend compared to the previous year. At the end of the period, current and non-current borrowings were divided as follows: 9.8 (31.12.23: 19.4) and 20.2 (31.12.23: 23.5) million euros, confirming the overall reduction in the company's debt load and the improvement in its financial position.

Cash Flows

Cash flows from operating activities for the year amounted to 20.1 (2023: 1.2) million euros, reflecting more effective working capital management. In the fourth quarter, cash flows from operating activities were 5.9 (2023 Q4: 4.5) million euros, driven by the reduction in inventory and trade receivables, which in turn reflected the Group's strengthened financial discipline.

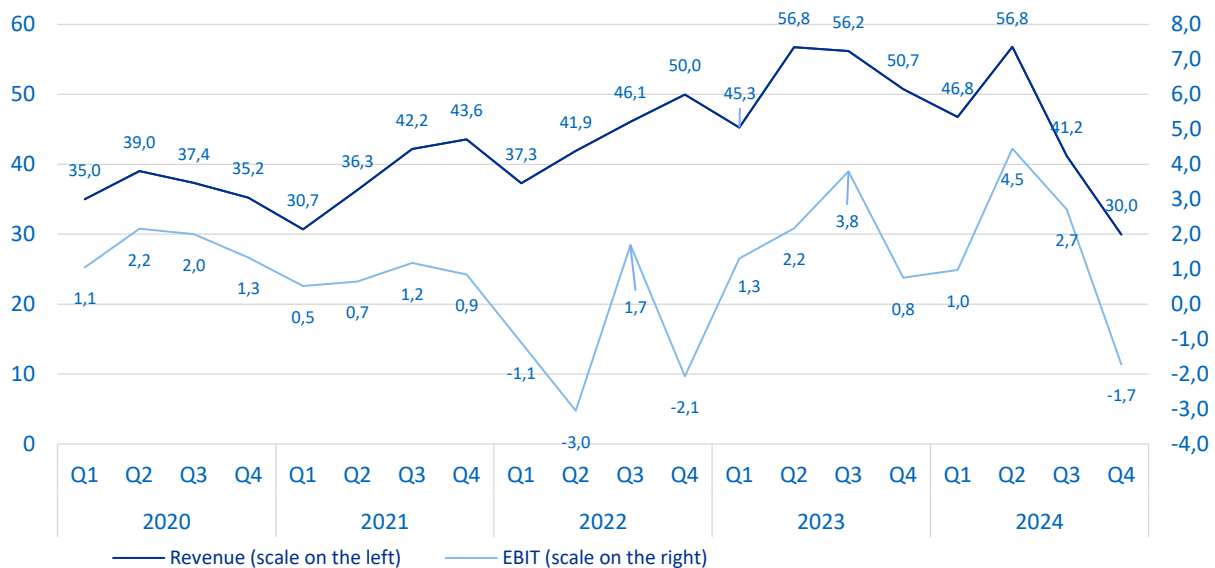
During the quarter, 0.9 (2023 Q4: 2.2) million euros were directed towards investing activities, and 2.2 (2023: 6.0) million euros over the year, focusing primarily on investment properties, but also on the acquisition of property, plant, and equipment, and intangible assets. Throughout the year, a total of 4.0 (2023: 6.1) million euros was paid for investments, while proceeds from the sale of the listed securities amounted to 1.6 (2023: 0) million euros.

Cash flow from financing activities was mainly impacted by dividend payments, loan repayments, and lease payments. On May 28, dividends of 2.4 (2023: 0.9) million euros were paid to shareholders, confirming the Group's continued commitment to enhancing shareholder value. Current and non-current loans, including overdrafts, were repaid in the quarter by 2.4 (2023 Q4: 1.8) million, and 13.1 (2023: 7.0) million euros over the full year. In 2024, only 0.1 (2023: 6.2) million euros in new loans were taken. Factoring liabilities decreased by 1.2 (2023 Q4: 0.4) million euros in the quarter but increased by 0.4 (2023: decreased by 1.3) million euros over the full year. Lease payments remained at the same level, totaling 0.7 million euros. The cash flow from financing activities was -1.3 (2023 Q4: -3.2) million in the quarter and -15.6 (2023: -12.9) million euros for the full year.

In summary, the group's cash flows were positive, amounting to 1.8 million euros in the fourth quarter and a total of 2.3 million euros for the reporting year. In the previous year, the cash flow for the quarter was 1.0 million euros, and the annual cash flow was -7.7 million euros, reflecting a strong improvement in cash flows in 2024 compared to the previous year.

Key indicators (EUR'000)	Q4 2024	Q4 2023	+/-	12M 2024	12M 2023	+/-
Revenue	29,963	50,737	-40.9%	174,712	209,014	-16.4%
Gross profit	1,778	4,218	-57.8%	20,899	23,588	-11.4%
EBITDA	-724	1,920	-137.7%	10,358	12,444	-16.7%
Operating profit (-loss) (EBIT)	-1,726	758	-327.7%	6,408	8,078	-20.7%
Profit (-loss) for the period	-2,303	135	-1805.9%	3,175	5,160	-38.5%
Earnings per share (EPS) (euros)	-0.12	0.01	-1300.0%	0.17	0.28	-39.3%
	31.12.24	30.09.24	+/-	31.12.24	31.12.23	+/-
Total current assets	55,320	65,170	-15.1%	55,320	78,123	-29.2%
Total non-current assets	98,377	98,323	0.1%	98,377	100,252	-1.9%
Total assets	153,697	163,493	-6.0%	153,697	178,375	-13.8%
Total liabilities	62,664	70,260	-10.8%	62,664	88,377	-29.1%
Ratios (%)	Q4 2024	Q4 2023	+/-	12M 2024	12M 2023	+/-
Distribution cost to revenue	3.6	2.5	1.1	2.7	2.5	0.2
Administrative expenses to revenue	7.1	5.2	1.9	5.3	4.8	0.5
Labour cost to revenue	28.5	20.6	7.9	21.4	19.1	2.3
Gross margin (gross profit / revenue)	5.9	8.3	-2.4	12.0	11.3	0.7
EBITDA margin (EBITDA / revenue)	-2.4	3.8	-6.2	5.9	6.0	-0.1
Operating margin (EBIT / revenue)	-5.8	1.5	-7.3	3.7	3.9	-0.2
Net margin (profit for the period / revenue)	-7.7	0.3	-8.0	1.8	2.5	-0.7
Inventory turnover (revenue / avg. inventories)	1.4	1.3	0.1	6.2	5.7	0.5
Return on equity (ROE) (profit for the period / avg. equity)	-2.5	0.1	-2.6	3.5	6.1	-2.6
	31.12.24	30.09.24	+/-	31.12.24	31.12.23	+/-
Equity ratio (equity / total assets) (%)	59.2	57.0	2.2	59.2	50.5	8.7
Current ratio (current assets / current liabilities)	1.3	1.4	-0.1	1.3	1.2	0.1
Debt ratio (total liabilities / total assets)	0.4	0.4	0.0	0.4	0.5	-0.1
Quick ratio ((current assets - inventories) / current liabilities)	0.8	0.9	-0.1	0.8	0.6	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 had 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.

In December, the Supervisory Board of AS Harju Elekter Group decided to expand the Management Board of AS Harju Elekter Group to five members in line with the approval of the Group's new development strategy. Erko Lepa and Tiit Luman from the current management team will join the Board. As of January 1, 2025, the Management Board of AS Harju Elekter Group will consist of:

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

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

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 completed.

MAIN EVENTS

New customer contracts

On 19 December 2024, Harju Elekter AB, a Swedish subsidiary of the Harju Elekter Group, signed a new 3-year framework agreement (with a term of 31 December 2027) with Sweden's largest distribution network company, E.ON Energidistribution AB, under which it is expected to supply nearly 2,000 substations. The indicative value of the agreement is EUR 15 million. The substations will be manufactured by Harju Elekter's plant in Estonia.

Annual General Meeting of shareholders

On April 26, the Annual General Meeting of shareholders of Harju Elekter took place. During the meeting, the Annual Report of 2023 along with the proposal for profit distribution were approved, and AS PricewaterhouseCoopers was appointed as the auditor for the financial year from 2024 to 2025.

It was decided to pay a dividend of 0.13 euros per share for the year 2023, totaling 2,404,840 euros. The dividends were transferred to the shareholders' bank accounts on May 28, 2024. The AGM was attended by 60 shareholders and their authorised representatives, who represented 11,324,722 votes, amounting to 61.22% of the total number of votes.

Recognition

On 14 March, the Estonian subsidiary of AS Harju Elekter was recognised with the title **Factory of the Year 2024** in the category of large enterprises at the industrial sector competition 'Smart Industry 2024'. The jury highlighted the successful implementation of lean methodology and the measuring of its benefits at Harju Elekter. They also highlighted the successful merger and renewal of its two Keila factories over the last two years, the active involvement of employees in developmental activities, and the emphasis Harju Elekter has placed on digitalization and occupational safety.

On 2 November, AS Harju Elekter was awarded **Company of the Year 2024** and **Industry Digitizer 2024** at the 'Best Estonian companies 2024' awards gala. The company's digital solutions and advanced industrial automation have attracted attention from, among others, the leading industrial companies in Germany, with whom it cooperates in the development of future-orientated data centers.



OPERATING RESULTS

Revenue

Revenue by business activities (EUR'000)	Q4 2024	Q4 2023	+/-	12M 2024	12M 2023	+/-	% 12M 2024	% 12M 2023
Electrical equipment	26,587	46,657	-43.0%	161,246	194,742	-17.2%	92.3%	93.2%
Lease income	1,171	1,093	7.1%	4,611	3,776	22.1%	2.6%	1.8%
Electrical works	1,385	1,760	-21.3%	5,033	6,419	-21.6%	2.9%	3.1%
Other services	820	1,227	-33.2%	3,822	4,077	-6.3%	2.2%	1.9%
Total	29,963	50,737	-40.9%	174,712	209,014	-16.4%	100.0%	100.0%

The group's revenue for the reporting quarter was 30.0 (2023 Q4: 50.7) million euros, and for the full year, it amounted to 174.7 (2023: 209.0) million euros. While the group's quarterly revenue has shown stable growth over the long term, a noticeable decline occurred in the second half of the year compared to the same period last year. The fourth-quarter revenue decreased by 40.9% compared to the previous year.

Sales of electrical equipment, which constitute the group's main area of business, reached 26.6 (2023 Q4: 46.7) million euros in the reporting quarter, representing a 43.0% decrease. For the full year, the revenue from electrical equipment totaled 161.2 (2023: 194.7) million euros, a 17.2% decline compared to the previous year. The main reasons for the decline were the decrease in outsourcing service orders due to the cooling of the global economy and the decline in demand in the substation market due to regulatory changes. The continued downturn in the electric car charger market also had a negative impact, resulting from the overall decline in demand in the European electric car sales market. Substations, low-voltage distribution equipment, and technical buildings made up a significant part of the sale of electrical equipment. The share of electrical equipment in the group's revenue was 88.7% (2023 Q4: 92.0%) in the quarter and 92.3% (2023: 93.2%) for the full year.

Lease income from investment properties increased in the reporting quarter due to the completion of a production building in Allika Industrial Park at the end of 2023 and the renewed lease agreement with Prysmian Group Baltics AS. Rental income in the fourth quarter amounted to 1.2 (2023 Q4: 1.1) million euros, reflecting a 7.1% increase compared to the previous year. For the full year, rental income reached 4.6 (2023: 3.8) million euros, an increase of 22.1% compared to the previous year. Rental income accounted for 3.9% (2023 Q4: 2.15%) of the group's total revenue in the fourth quarter and 2.6% (2023: 1.8%) for the entire year.

Revenue from electrical works in the shipbuilding sector amounted to 1.4 (2023 Q4: 1.8) million euros in the fourth quarter and 5.0 (2023: 6.4) million euros for the full year. The timing of shipbuilding projects in Finland is influenced by production cycles and financing decisions, which affects the implementation of orders and production schedules. The electrical works accounted for 4.6% (2023 Q4: 3.5%) and 2.9% (2023: 3.1%) of the group's revenue for the quarter and for the reporting period, respectively.

Revenue by segment (EUR'000)	Q4 2024	Q4 2023	+/-	12M 2024	12M 2023	+/-	% 12M 2024	% 12M 2023
Production	27,132	47,709	-43.1%	164,305	197,863	-17.0%	94.0%	94.7%
Real Estate	1,446	1,268	14.0%	5,364	4,477	19.8%	3.1%	2.1%
Other activities	1,385	1,760	-21.3%	5,043	6,674	-24.4%	2.9%	3.2%
Total	29,963	50,737	-40.9%	174,712	209,014	-16.4%	100.0%	100.0%

The decrease in orders for electrical equipment and contract manufacturing works in the second half of the year had a significant impact on the group's core business – manufacturing revenue in the fourth quarter dropped to 27.1 (2023 Q4: 47.7) million euros, representing a 43.1% decrease. For the full year, the production segment's revenue amounted to 164.3 (2023: 197.9) million euros, reflecting a 17.0% decline compared to the previous year. Sales of electrical equipment accounted for 90.6% (2023 Q4: 94.0%) of the group's revenue in the fourth quarter and 94.0% (2023: 94.7%) for the full year.

The real estate segment continued to show strong growth. The group's real estate unit generated 1.4 (2023 Q4: 1.3) million euros in revenue during the reporting quarter, representing a 14.0% increase compared to the previous year. For the full year, the real estate segment's revenue rose to 5.4 (2023: 4.5) million euros, an increase of 19.8% compared to the previous year. Growth was driven by strategic investments in the Keila and Allika industrial parks in previous periods and increased demand for high-quality production and warehouse spaces. The positive trend in the real estate sector confirms the group's ability to find long-term, reliable tenants and secure stable income even during economically challenging periods. The real estate segment accounted for 4.8% (2023 Q4: 2.5%) of the group's total revenue in the fourth quarter and 3.1% (2023: 2.1%) for the full year.

Revenue from other activities amounted to 1.4 (2023 Q4: 1.8) million euros in the fourth quarter and 5.0 (2023: 6.7) million euros for the full year. The decline in revenue for the full year was mainly influenced by the exit from the electrical goods project and retail business in Estonia, as well as a decrease in electrical work in the shipbuilding sector. Other activities accounted for 4.6% (2023 Q4: 3.5%) of the group's total revenue in the fourth quarter and 2.9% (2023: 3.2%) for the full year.

Revenue by markets (EUR'000)	Q4 2024	Q4 2023	+/-	12M 2024	12M 2023	+/-	% 12M 2024	% 12M 2023
Estonia	5,297	5,233	1.2%	23,028	20,865	10.4%	13.2%	10.0%
Finland	12,408	19,617	-36.7%	66,866	83,291	-19.7%	38.3%	39.8%
Sweden	4,661	9,183	-49.2%	25,963	32,492	-20.1%	14.9%	15.5%
Norway	3,274	5,730	-42.9%	26,336	33,828	-22.1%	15.1%	16.2%
Germany	2,461	2,859	-13.9%	13,764	12,681	8.5%	7.9%	6.1%
Netherlands	472	1,262	-62.6%	3,244	7,701	-57.9%	1.9%	3.7%
Other	1,390	6,853	-79.7%	15,511	18,156	-14.6%	8.9%	8.7%
Total	29,963	50,737	-40.9%	174,712	209,014	-16.4%	100.0%	100.0%

The Group's four main target markets—Estonia, Finland, Sweden, and Norway—accounted for 85.6% (2023 Q4: 78.4%) of total revenue in the reporting quarter. Year-over-year, revenue growth was recorded only in Estonia, while other key markets showed signs of stabilization following high activity levels in previous years.

In Estonia, revenue remained at the previous year's level in the fourth quarter, reaching 5.3 (2023 Q4: 5.2) million euros. For the full year, revenue increased by 10.4%, amounting to 23.0 (2023: 20.9) million euros. Growth was mainly driven by higher sales of compact substations to electricity distribution network customers, as well as a low comparison base from mid-2023, when the new framework agreement was still gaining momentum. The Estonian

market accounted for 17.7% (2023 Q4: 10.3%) of the Group's consolidated revenue in the reporting quarter and 13.2% (2023: 10.0%) for the full year.

In Finland, revenue for the last quarter was 12.4 (2023 Q4: 19.6) million euros, marking a 36.7% decline compared to the previous year. On an annual basis, revenue fell by 19.7%, amounting to 66.9 (2023: 83.3) million euros. The decline was primarily due to lower demand in the compact substation segment, which was affected by regulatory changes in the electricity network sector, as well as weak market conditions for electric vehicle chargers and the Group's exit from the solar panel resale segment. The Finnish market accounted for 41.4% (2023 Q4: 38.7%) of the Group's revenue in the reporting quarter and 38.3% (2023: 40.2%) for the full year.

In Norway, revenue decreased by 42.9% in the fourth quarter, reaching 3.3 (2023 Q4: 5.7) million euros. Over the full year, revenue declined by 22.1%, amounting to 26.3 (2023: 33.8) million euros. The decline was primarily due to a high comparison base from the previous year, when the Lithuanian production unit experienced near maximum capacity workload due to the project-based nature of the sector. The Norwegian market accounted for 10.9% (2023 Q4: 11.3%) of quarterly revenue and 15.1% (2023: 16.2%) of annual revenue.

In Sweden, a similar trend was observed as in other Scandinavian markets, with revenue declining by 49.2% in the fourth quarter to 4.7 (2023 Q4: 9.2) million euros. Annual revenue amounted to 26.0 (2023: 32.5) million euros. The main reason for the decline was a change in the business strategy, which involved discontinuing EPC projects, or turnkey solutions, and shifting focus to factory-made solutions. The Swedish market accounted for 15.6% (2023 Q4: 18.1%) of the Group's revenue in the reporting quarter and 14.9% (2023: 15.5%) for the full year.

Revenue from other markets decreased by 6.6 million euros in the quarterly comparison, amounting to 4.3 million euros. On an annual basis, revenue was 32.5 (2023: 38.5) million euros. Sales increased in Germany, Denmark, and Poland, while revenue from the U.S., the Netherlands, and Italy was lower compared to the previous year. Other markets accounted for 14.4% (2023 Q4: 21.6%) of quarterly revenue and 18.6% (2023: 18.4%) of annual revenue.

Operating expenses

<i>(EUR'000)</i>	Q4 2024	Q4 2023	+/-	12M 2024	12M 2023	+/-	% 12M 2024	% 12M 2023
Cost of sales	28,185	46,521	-39.4%	153,813	185,426	-17.0%	91.7%	92.3%
Distribution costs	1,069	1,260	-15.2%	4,710	5,320	-11.5%	2.8%	2.7%
Administrative expenses	2,116	2,657	-20.4%	9,213	10,112	-8.9%	5.5%	5.0%
Total operating expenses	31,370	50,438	-37.8%	167,736	200,858	-16.5%	100.0%	100.0%
<i>incl. depreciation, amortization</i>	1,002	1,162	-13.8%	3,950	4,366	-9.5%	2.4%	2.2%
<i>incl. total labour cost</i>	8,531	10,474	-18.6%	37,303	39,929	-6.6%	22.2%	19.9%
<i>incl. inclusive salary cost</i>	5,876	8,404	-30.1%	30,057	31,802	-5.5%	17.9%	15.8%

The Group's operating expenses decreased across all cost categories in 2024 compared to the previous year, primarily due to the decline in revenue and corresponding cost savings. In the fourth quarter, expenses decreased by 37.8% to 31.4 (2023 Q4: 50.4) million euros. The largest reduction came from the cost of sales, which decreased by 39.4% to 28.2 million euros. Meanwhile, distribution costs declined by 15.2%, amounting to 1.1 million euros, and administrative expenses dropped by 20.4% to 2.1 million euros.

On an annual basis, total operating expenses amounted to 167.7 (2023: 200.9) million euros, marking a 16.5% decline. The decrease in expenses was slightly lower than the drop in revenue, as certain fixed costs remained despite the reduction in sales volumes. However, the company implemented targeted cost optimization measures, focusing on production process efficiency, flexible resource management, and adjustments to fixed costs. The cost of sales decreased by 17%, distribution costs by 11.5%, and administrative expenses by 8.9%.

The gross profit margin improved by 0.7 percentage points year-over-year, reaching 12.0%, supported by process efficiency improvements and better utilization of production capacity. However, on a quarterly comparison, the gross profit margin declined by 2.4 percentage points to 5.9%, mainly due to changes in the product and target market mix.

The share of distribution costs in revenue increased by 1.1 percentage points quarter-over-quarter to 3.6% and by 0.2 percentage points annually to 2.7%. The share of administrative expenses in revenue rose by 1.9 percentage points in the fourth quarter to 7.1% and by 0.5 percentage points annually to 5.3%. These increases were influenced by developments in target markets and adjustments in sales strategy based on market demand. At the same time, cost management efforts continued to support sales activities, strengthen customer relationships, and maintain organizational flexibility in a changing market environment.

Depreciation expenses for fixed assets declined by 13.8% in the reporting quarter, reaching 1.0 million euros, and by 9.5% annually, totaling 4.0 million euros. This decrease was due to the alignment and revaluation of depreciation periods for fixed assets within the group. However, lower order volumes led to a slight increase in the share of depreciation costs in operating expenses.

The labour cost ratio to revenue increased to 28.5% (2023 Q4: 20.6%) in the reporting quarter and to 21.4% (2023: 19.1%) annually. The average monthly salary remained stable at 2,794 (2023: 2,768) euros. Comparing the quarters labour costs decreased by 18.6% and on yearly bases by 6.6% due to workforce adjustments in the production units in Estonia, Finland, and Lithuania. Labour costs amounted to 8.5 (2023 Q4: 10.5) million euros in the fourth quarter and 37.3 (2023: 39.9) million euros annually.

PERSONNEL

In October, an employee commitment and satisfaction survey was carried out, taking place on a uniform basis in all countries of operation for the second consecutive year. The survey helped to identify strengths and areas where there is room for improvement, providing guidance to the management for further steps in improving the organizational culture and working conditions.

In November, a group-wide management meeting was held in Lithuania, providing an overview of the latest achievements, challenges, and further strategic objectives of the group.



The group's occupational safety representatives from Estonia, Lithuania, Finland, and Sweden gathered for the Safety Summit, the aim of which was to get to know each other better, exchange contacts and practices, and get acquainted with the new work environment management program.

In December, Harju Elekter awarded scholarships to four outstanding students, supporting their education in the field of electrical engineering and engineering. Two interior electrician students from Tallinn Polytechnic received a scholarship to cover the costs associated with their studies and for professional motivation. In addition, two TalTech students were recognised for their excellent learning outcomes – a bachelor's student in product development and robotics, and a master's student in product development and manufacturing engineering. The latter has served as captain of TalTech's Formula Student Team, helping the team achieve significant victories between 2022 and 2024.



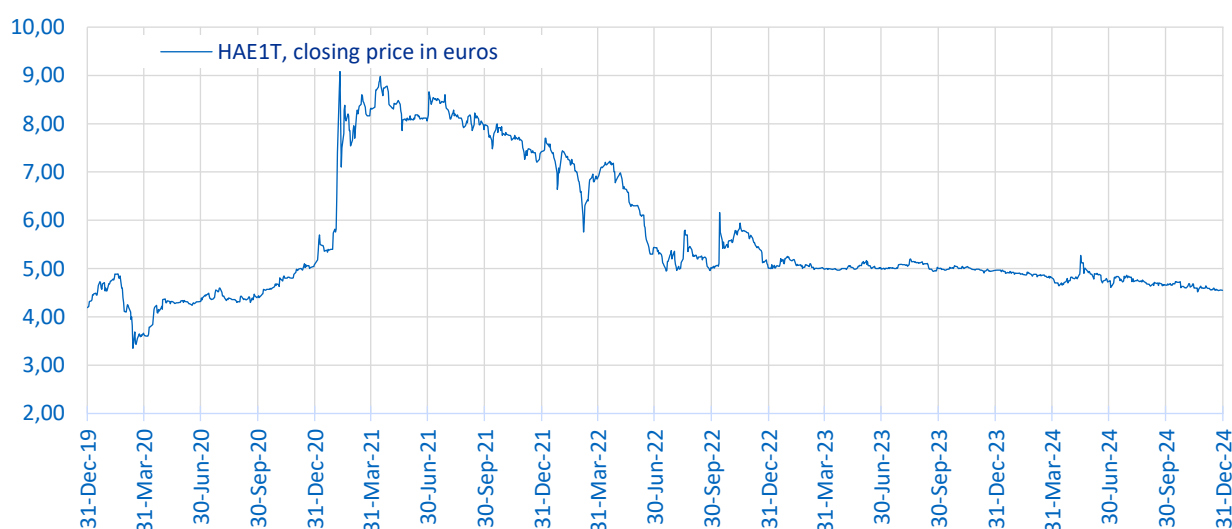
At the end of the reporting period, the group employed a total of 821 people, which is 146 fewer than the previous year. The average number of employees for the quarter was 822, showing a decrease compared to the same period last year. The reduction in the number of employees occurred in the Estonian, Finnish, and Lithuanian business units, where production efficiency was increased and some reduction in production volumes was anticipated for the upcoming periods.

	Average numbers of employees				Numbers of employees			Proportion	
	Q4	Q4	12M	12M	31.12.2024	31.12.2023	+/-	%	%
	2024	2023	2024	2023				31.12.24	31.12.23
Estonia	292	325	319	346	290	329	-39	35.3%	34.0%
Finland	181	220	206	208	181	221	-40	22.1%	22.9%
Lithuania	295	367	321	345	294	366	-72	35.8%	37.8%
Sweden	54	50	51	58	56	51	5	6.8%	5.3%
Total	822	962	897	957	821	967	-146	100.0%	100.0%

SHARES AND SHAREHOLDERS

Security trading history	2024	2023	2022	2021	2020
Opening price (euros)	4.97	5.01	7.44	5.24	4.26
Highest price (euros)	5.33	5.31	7.74	10.50	5.26
Lowest price (euros)	4.20	4.90	4.85	5.20	3.20
Closing price (euros)	4.575	4.97	5.01	7.44	5.18
Traded shares (pcs)	751,657	1,154,685	929,491	2,048,865	1,160,598
Turnover (in million euros)	3.59	5.82	5.60	15.85	4.99
Capitalisation (in million euros)	84.63	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)	0.17	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 December 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 December 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 %	63	0.6	16.1	Shareholders holding under 10%	59.88
< 0.1%	10,728	99.3	24.5	Total	100.00
Total	10,800	100.0	100.0		

As of 31 December 2024, AS Harju Elekter Group had 10,800 shareholders. During the reporting quarter, the number of shareholders decreased by 83. 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 December 2024, the members of the Supervisory and Management Boards owned, in accordance with their direct and indirect ownerships, in total of 4.96% of AS Harju Elekter Group shares. The complete list of shareholders of AS Harju Elekter Group is available on the website of the Nasdaq CSD <https://nasdaqcsd.com/statistics/en/shareholders>.

INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR'000)

	Note	31.12.2024	31.12.2023
ASSETS			
Current assets			
Cash and cash equivalents		3,773	1,381
Trade and other receivables		29,606	38,837
Prepayments		2,096	1,071
Inventories		19,845	36,834
Total current assets		55,320	78,123
Non-current assets			
Deferred income tax assets		687	731
Non-current financial investments	2	27,717	29,244
Investment properties	3	29,432	28,856
Property, plant, and equipment	4	32,420	34,067
Intangible assets	4	8,121	7,354
Total non-current assets		98,377	100,252
TOTAL ASSETS	7	153,697	178,375
LIABILITIES AND EQUITY			
Liabilities			
Borrowings	5	9,839	19,387
Prepayments from customers		11,600	18,870
Trade and other payables		17,472	23,159
Tax liabilities		3,260	3,308
Current provisions		270	140
Total current liabilities		42,441	64,864
Borrowings	5	20,184	23,481
Other non-current liabilities		39	32
Total non-current liabilities		20,223	23,513
Total liabilities		62,664	88,377
Equity			
Share capital	6	11,655	11,655
Share premium		3,306	3,306
Reserves		23,135	23,055
Retained earnings		52,937	51,982
Total equity attributable to the owners of the parent company		91,033	89,998
TOTAL LIABILITIES AND EQUITY		153,697	178,375

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>(EUR'000)</i>	Note	Q4 2024	Q4 2023	12M 2024	12M 2023
Revenue	7	29,963	50,737	174,712	209,014
Cost of sales		-28,185	-46,519	-153,813	-185,426
Gross profit		1,778	4,218	20,899	23,588
Distribution costs		-1,069	-1,260	-4,710	-5,320
Administrative expenses		-2,116	-2,657	-9,213	-10,112
Other income		93	495	281	314
Other expenses		-412	-38	-849	-392
Operating profit (-loss)	7	-1,726	758	6,408	8,078
Finance income		5	456	116	97
Finance costs		-613	-624	-2,436	-2,103
Profit (-loss) before tax		-2,334	590	4,088	6,072
Income tax	9	31	-455	-913	-912
Profit (-loss) for the period		-2,303	135	3,175	5,160
Earnings per share					
Basic earnings per share (euros)	8	-0.12	0.01	0.17	0.28
Diluted earnings per share (euros)	8	-0.12	0.01	0.17	0.28

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(EUR'000)</i>	Note	Q4 2024	Q4 2023	12M 2024	12M 2023
Profit (-loss) for the period		-2,303	135	3,175	5,160
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Impact of exchange rate changes of a foreign subsidiaries		98	-212	108	-139
<i>Items that will not be reclassified to profit or loss</i>					
Gain on sales of financial assets	2	0	0	185	0
Revaluation of financial assets	2	-6	-3,266	-71	5,516
Total comprehensive income (-loss) for the period		92	-3,478	222	5,377
Other comprehensive income (-loss)		-2,211	-3,343	3,397	10,537

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR'000)

	Note	12M 2024	12M 2023
Cash flows from operating activities			
Profit for the period		3,175	5,160
<u>Adjustments</u>			
Depreciation, amortization and impairment	3,4	3,950	4,366
Gain/loss on sale of property, plant and equipment		-28	26
Loss from the disposal of property, plant and equipment		69	0
Share-based payments	10	43	42
Finance income		-116	-97
Finance costs		2,436	2,103
Income tax	9	913	912
<u>Changes</u>			
Changes in trade receivables and prepayments		14,450	-6,680
Changes in inventories		16,989	381
Changes in trade payables and prepayments		-19,332	-2,266
Corporate income tax paid	9	-259	-792
Interest paid		-2,184	-1,947
Total cash flow (-outflow) from operating activities		20,106	1,208
Cash flows from investing activities			
Payments for investment properties	9	-1,994	-4,933
Payments for property, plant and equipment	9	-903	-852
Payments for intangible assets	9	-1,080	-358
Proceeds from sale of property, plant and equipment		81	58
Proceeds from sale of other financial investments	2	1,641	0
Dividends received		78	73
Received interests		18	14
Total cash flow (-outflow) from investing activities		-2,159	-5,998
Cash flows from financing activities			
Change in overdraft balance and current borrowings	5	-9,125	-4,526
Proceeds from borrowings		109	6,218
Repayment of non-current borrowings	5	-3,945	-2,444
Change in factoring liability	5	468	-1,330
Repayments of lease liabilities	5	-729	-799
Proceeds from the share issue		0	898
Dividends paid		-2,405	-914
Dividends income tax paid		-12	-11
Total cash flow (-outflow) from financing activities		-15,639	-2,908
Total net cash flow (-outflow)		2,308	-7,698
Cash and cash equivalents at the beginning of the period		1,381	9,152
Changes in cash and cash equivalents		2,308	-7,698
Effect of exchange rate fluctuations on cash and cash equivalents		84	-73
Cash and cash equivalents at the end of the period		3,773	1,381

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 January – 31 December (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
Change in accounting principles	0	0	0	-6	-6	0	-6
Adjusted 1 January 2023	11,523	2,509	17,768	47,765	79,565	-161	79,404
Comprehensive income							
Profit for the period	0	0	0	5,160	5,160	0	5,160
Other comprehensive income	0	0	5,377	0	5,377	0	5,377
Total comprehensive income	0	0	5,377	5,160	10,537	0	10,537
Transactions with owners recognized directly in equity							
Share capital contribution	132	797	0	0	929	0	929
Share-based payments (Note 8,10)	0	0	-90	132	42	0	42
Acquisition of non-controlling interests	0	0	0	-161	-161	161	0
Dividends	0	0	0	-914	-914	0	-914
Total transactions with owners	132	797	-90	-943	-104	161	57
Balance at 31 December 2023	11,655	3,306	23,055	51,982	89,998	0	89,998
Comprehensive income							
Profit for the period	0	0	0	3,175	3,175	0	3,175
Other comprehensive income	0	0	37	185	222	0	222
Total comprehensive income	0	0	37	3,360	3,397	0	3,397
Transactions with owners recognized directly in equity							
Share-based payments (Note 8,10)	0	0	43	0	43	0	43
Dividends	0	0	0	-2,405	-2,405	0	-2,405
Total transactions with owners	0	0	43	-2,405	-2,362	0	-2,362
Balance at 31 December 2024	11,655	3,306	23,135	52,937	91,033	0	91,033

On April 26, 2024, the Annual General Meeting of shareholders of AS Harju Elekter Group was held, where the 2023 annual report and the profit distribution proposal were approved. It was decided to pay a dividend of 0.13 euro per share for the year 2023, totaling 2,405 thousand euros. The dividends were paid to the shareholders' bank accounts on May 28, 2024.

NOTES TO INTERIM FINANCIAL STATEMENT

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

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

In 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 fourth quarter and 12 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>	31.12.2024	31.12.2023
Listed securities (fair value through other comprehensive income)	21	1,548
Other equity investments (fair value through other comprehensive income)	27,687	27,687
Other financial assets through profit or loss	9	9
Total	27,717	29,244
Changes	12M 2024	12M 2023
1. Financial assets at fair value through other comprehensive income		
Carrying amount at the beginning of the period	29,235	23,719
Sale of financial assets	-1,456	0
Change in fair value through other comprehensive income	-71	5,516
Carrying amount at the end of the period	27,708	29,235
2. Financial assets at fair value through profit and loss		
Carrying amount at the beginning of the period	9	12
Change in fair value through profit and loss	0	-3
Carrying amount at the end of the period	9	9
Total carrying amount at the end of the period	27,717	29,244

In the second quarter of the reporting year, most of the listed securities were sold, generating a total of 1.6 million euros in proceeds, including a realized gain of 0.2 million euros. The market conditions were favorable, enabling the realization of gains and an increase in liquidity. As a result of the sale, the released capital can be utilized for the development of the company's core operations and strategic investments, supporting long-term growth and sustainability. The fair value of the securities declined by 71 thousand euros during the reporting year.

As of 31 December 2024, other equity investments include an investment in the shares of IGL-Technologies Oy in the amount of 0.5 (31.12.23: 0.5) million euros and in the shares of OÜ Skeleton Technologies Group in the amount of 27.2 (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. 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	12M 2024	12M 2023
Balance at the beginning of the period		28,856	24,756
Additions	7	1,822	5,175
Depreciation	7	-1,246	-1,074
At the end of the period		29,432	28,857

Note 4 Property, plant and equipment and intangible assets

<i>(EUR'000)</i>	Note	12M 2024	12M 2023
1. Property, plant and equipment			
Balance at the beginning of the period		34,067	35,740
Additions	7	894	1,376
Additions to right-of-use assets		346	76
Sales and write-off in carrying amount		-159	-84
Depreciation	7	-2,412	-3,001
Reclassification to inventories		0	-35
Impact of exchange rate changes		-316	-5
At the end of the period		32,420	34,067
2. Intangible assets			
Balance at the beginning of the period		7,354	7,244
Additions	7	1,070	398
Amortization	7	-292	-290
Refunded prepayment		-10	0
Impact of exchange rate changes		-1	2
At the end of the period		8,121	7,354

Note 5 Borrowings

<i>(EUR'000)</i>	31.12.2024	31.12.2023
Current borrowings		
Current bank loans and overdrafts	5,084	14,209
Current portion of non-current bank loans	3,029	3,600
Current portion of non-current lease liabilities	374	694
Factoring liability	1,352	884
Total current borrowings	9,839	19,387
Non-current borrowings		
Non-current bank loans	19,287	22,552
Non-current lease liabilities	897	929
Total non-current borrowings	20,184	23,481
Total borrowings	30,023	42,868

Changes in borrowings	12M 2024	12M 2023
Loans and borrowings at the beginning of the period	42,868	45,117
Change in overdraft balances	-9,125	-4,526
Received non-current loans	109	6,218
Repayments of non-current loans	-3,945	-2,444
Change in factoring liability	468	-1,330
New lease liabilities	375	647
Repayments of non-current lease liabilities	-729	-838
Other changes	0	-14
Impact of exchange rate changes	2	38
Loans and borrowings at the end of the period	30,023	42,868

Note 6 Share capital

	31.12.2024	31.12.2023
Share capital (thousand euros)	11,655	11,655
Number of shares (pcs)	18,498,770	18,498,770
Book value of a share (euros)	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.

<i>(EUR'000)</i>	Note	Production	Real Estate	Other activities	Elimination	Consolidated
12 months 2024						
Revenue from external customers		164,305	5,364	5,043	0	174,712
Inter-segment revenue		509	2,428	3,176	-6,113	0
Segment revenue		164,814	7,792	8,219	-6,113	174,712
Operating profit		2,658	4,052	-264	-38	6,408
Segment assets		84,701	36,480	44,189	-38,974	126,396
Unallocated assets						27,301
<i>incl. Financial investments</i>						27,221
<i>incl. Other receivables and prepayments</i>						80
Total assets						153,697
Liabilities of the segment		66,760	429	3,889	-38,974	32,104
Unallocated liabilities						30,560
<i>incl. borrowings</i>						29,939
<i>incl. accrued expenses</i>						369
<i>incl. other</i>						252
Total liabilities						62,664
Capital expenditure	3,4	1,035	1,860	891	0	3,786
Right-of-use assets		375	0	0	0	375
Depreciation and amortization	3,4	1,636	1,770	557	-13	3,950
12 months 2023						
Revenue from external customers		197,863	4,477	6,674	0	209,014
Inter-segment revenue		350	2,426	2,967	-5,743	0
Segment revenue		198,213	6,903	9,641	-5,743	209,014
Operating profit		3,803	3,174	1,170	-69	8,078
Segment assets		101,828	34,382	45,469	-32,119	149,560
Unallocated assets						32,215
<i>incl. Financial investments</i>						28,749
<i>incl. Other receivables and prepayments</i>						66
Total assets						178,375
Liabilities of the segment		82,774	674	5,445	-32,119	56,774
Unallocated liabilities						31,603
<i>incl. borrowings</i>						30,698
<i>incl. accrued expenses</i>						700
<i>incl. other</i>						205
Total liabilities						88,377
Capital expenditure	3,4	1,446	5,294	209	0	6,949
Right-of-use assets		76	0	0	0	76
Depreciation and amortization	3,4	2,189	1,627	578	-28	4,366

Revenue by geographic regions (customer location)

<i>(EUR'000)</i>	12M 2024	12M 2023
Estonia	23,028	20,865
Finland	67,811	83,291
Sweden	25,963	32,492
Norway	21,020	33,828
Germany	13,789	12,681
Netherlands	3,255	7,701
Other	19,846	18,156
Total revenue	174,712	209,014

Revenue by business activities*(EUR '000)*

	12M 2024	12M 2023
Manufacturing and sale of electrical equipment	161,246	194,742
Lease income	4,611	3,776
Electrical works	5,033	6,419
Other services	3,822	4,077
Total revenue	174,712	209,014

Note 8 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit for the reporting period with the weighted average number of shares issued during the period. Diluted earnings per share are calculated by taking into account the shares that will be potentially issued. The resolution of the general meeting of shareholders held on 29 April 2021 approved the new 2021–2022 share option program, under which the members of the Management Boards and key personnel of AS Harju Elekter Group and its subsidiaries are entitled to receive share options. The issue price of the shares to be acquired on the basis of the option is the average of the closing prices of the shares for the calendar years of 2018, 2019, and 2020 on the Nasdaq Tallinn Stock Exchange as of 31 December, i.e., 4.50 euros per share. As at 30 September 2024, the Group had a total of 138,500 potentially issuable ordinary shares.

As to share-based compensation to which IFRS 2 requirements apply, the subscription price of shares will continue to include the cost of the services provided by employees for the share-based compensation. The value of the service was estimated by an independent expert at 3.55 euros in the 2021 round and 1.52 euros in 2022. We have reviewed the pricing and set it at 1 euro for both. Therefore, under IFRS 2, the subscription prices for the shares are now 5.5 euros, meaning that previous estimates, which were 8.05 euros and 6.02 euros respectively, have been adjusted in connection with the stabilization of the share price and the approaching option exercise. The potential shares will only become dilutive after their average market price for the period exceeds these values. From 01 October to 31 December 2024, the average market price of the shares was 4.62 (Q4 2023: 5.21) euros, and from 1 January to 31 December 2024, the average market price of the shares was 4.77 (2023: 5.04) euros.

	Unit	Q4 2024	Q4 2023
Profit attributable to equity holders of the parent company	EUR '000	-2,303	135
Average number of shares outstanding	Pc '000	18,499	18,345
Basic earnings per share	EUR	-0.12	0.01
Adjusted number of shares during the period	Pc '000	18,499	18,499
Diluted earnings per share	EUR	-0.12	0.01
	Unit	12M 2024	12M 2023
Profit attributable to equity holders of the parent company	EUR '000	3,175	5,160
Average number of shares outstanding	Pc '000	18,499	18,356
Basic earnings per share	EUR	0.17	0.28
Adjusted number of shares during the period	Pc '000	18,499	18,395
Diluted earnings per share	EUR	0.17	0.28

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

	Note	12M 2024	12M 2023
Corporate income tax			
Income tax expense in the statement of profit or loss		-913	-912
Decrease (+)/increase (-) in prepayment and in income tax liability		591	-200
Dividend income tax expense		12	11
Deferred income tax expense/income		51	327
Impact of exchange rate changes		0	-18
Corporate income tax paid		-259	-792
Paid for investment properties			
Acquisitions of investment properties	3	-1,822	-5,175
Liability decrease (-)/ increase (+) incurred by the acquisitions		-172	242
Paid for investment properties		-1,994	-4,933

<i>(EUR'000)</i>	Note	12M 2024	12M 2023
Paid for property, plant and equipment			
Acquisitions of property, plant and equipment	4	-894	-1,376
Liability decrease (-)/ increase (+) incurred by the acquisitions		-11	3
Addition of the right to use the asset		0	524
Impact of exchange rate changes		2	-3
Paid for property, plant and equipment		-903	-852
Paid for intangible assets			
Acquisitions of intangible assets	4	-1070	-398
Liability decrease (-)/ increase (+) incurred by the acquisitions		-13	43
Impact of exchange rate changes		3	-3
Paid for intangible assets		-1,080	-358

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>	31.12.2024	31.12.2023
Balances with related parties:		
- Payables for goods and services	56	136
- Payables to Management and Supervisory Boards	96	82
- Bonus reserve for Management board	42	98
	12M 2024	12M 2023
Purchase of goods and services from related parties:		
- Other services, Lease of property, plant from AS Harju KEK	94	111
- Other services from AS Entek, Ellex Raidla Advokaadibüroo OÜ and HeBA Clinic OÜ	926	1,010
Sale of goods and services to related parties:		
- Other services to AS Harju KEK	2	1
- Sale of goods and services to AS Entek	0	4
- Rental service for HeBA Clinic OÜ	3	1
Remuneration of the Management and Supervisory Boards:		
- Salary, bonuses, additional other remuneration	687	556
- Social security tax	227	183

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 138,500 shares are potentially issuable at the end of the reporting period. The term of the option programme is two years, plus the term for exercising the options. The exercise period is 36 and 48 months after the written option contract is signed.

During the reporting period, share-based payments were recognized as labour costs amounting to 43 (2023: 42) thousand euros, including 11 (2023: 31) thousand euros for the members of the Management and Supervisory Board. The pricing of the option is disclosed in Note 8.

THE MANAGEMENT BOARD DECLARATION FOR THE UNAUDITED FINANCIAL STATEMENTS

The Management Board acknowledges its responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements for the fourth quarter and twelve months 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	19 February 2025	
Priit Treial	Member of the Management Board	19 February 2025	
Aron Kuhi-Thalfeldt	Member of the Management Board	19 February 2025	
Erko Lepa	Member of the Management Board	19 February 2025	
Tiit Luman	Member of the Management Board	19 February 2025	