HARJU ELEKTER®

2020
Yearbook

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Information to the Shareholders

Annual General Meeting

The AGM of the Shareholders of Harju Elekter will take place on 29 April 2021 at 10 am in the LaSpa conference room Nimbus at Puhkekodu tee 4, 76702 Laulasmaa, Lääne-Harju parish, Estonia.

Management urgently requests its shareholders not to attend the general meeting in person but rather vote for the items on the agenda of the general meeting via email or regular mail before the meeting, and participate in the online seminar. More detailed information is available on the website of AS Harju Elekter www.harjuelekter.com and in the stock exchange notice convening the general meeting.

AGM email:
yldkoosolek@harjuelekter.com

Dividends

Harju Elekter's Management Board proposes that a dividend of 0.16 euros per share be paid for the financial year 2020.

Shareholders registered in the shareholders' registry in the accounting system at the end of the business day on 18 May 2021, shall be entitled to a dividend. The dividend payment ex-date is 17 May 2021. From that date, the new owner of the shares will not be entitled to any dividends for the year 2020. Dividends will be paid to the shareholders on 25 May 2021 via transfer to the bank account of the shareholder.

The Publication of Financial Reports in 2021

AS Harju Elekter has announced that their consolidated financial results will be published as follows:

Interim Report Q1 2021	28 April 2021
Interim Report Q2 2021	28 July 2021
Interim Report Q3 2021	27 October 2021

Following their release through the stock exchange information system, all Harju Elekter's announcements will be made available on the company website's homepage at www.harjuelekter.com.

Contact for Investors Marit Tack
Corporate Communications and Investor Relations Manager
Tel 671 2761, marit.tack@harjuelekter.com
AS Harju Elekter, Paldiski mnt 31, 76606 Keila

ENDEL PALLA
Chairman of the Supervisory Board

Statement of the Chairman of the Supervisory Board

New challenges and opportunities

In 2020, we focused on shaping a more integrated Group and increasing our profitability. In previous years, we achieved a considerable increase in our revenue whilst giving in profitability, but this year we managed to increase our profit as well. I am pleased to admit that despite the unexpected global health crisis, we managed to maintain the health of our employees, which allowed us to keep production going in our factories and fulfil the orders of all customers.

The world is constantly evolving and so is Harju Elekter. We believe that a strong and unified Harju Elekter is an advantage, which is why we continued integrating the companies acquired in recent years into the Group and introducing a joint trademark. We merged our Swedis company SEBAB AB with Grytek AB and in Finland, Stamatic Oy with its subsidiary Finnkumu Oy.

One of the keywords for Harju Elekter in the previous year was making investments. We invested in automation, IT systems and solar power plants to remain competitive and to be progressive in the fields important to us

Following the principle of separating property management from production operations, we moved our Finnish property units in Ulvila, Kurikka and Kerava under Harju Elekter Kiinteistöt Oy in order to facilitate management in the Group and guarantee the better comparability of industrial companies.

We appointed new generation managers to manage the Group and our Swedish subsidiary so that fresh ideas can be implemented in Harju Elekter. Since May the Group is managed by our recent member of the management board and CFO Tiit Atso and since the start of 2020 our Swedish unit is managed by Mikael Schwartz Jonsson.

One of the keywords for Harju Elekter in the previous year was making investments. We invested in automation, IT systems and solar power plants to remain competitive and to be progressive in the fields important to us. We also continued investing in property for our production as well as for rental in Estonia.

Innovation is important to us and the annual innovation competition in the Harju Elekter Group was held in order to further it. The competition has motivated our engineers to develop new products that better meet the needs of our customers, to improve our production technology and increase the company's profitability. The changing world and the impending green transformation continues to encourage us to modernise our products, which are the basis and opportunity for our development, as we are operating in the rapidly changing energy sector. We have always coped with new challenges and will cope with them also in the future.

Harju Elekter has paid dividends in all of the 23 years that it has been listed. We want to be a reliable partner to our shareholders and will continue with this tradition also in the future.

On behalf of the supervisory board, I would like to thank all customers, partners and shareholders in Estonia and abroad.

ENDEL PALLA
CHAIRMAN OF THE SUPERVISORY BOARD

Statement of the Chairman of the Management Board

We achieved the best result despite the crisis

Our life changed significantly in 2020. Countries, companies and people had to learn to adapt quickly to the changes caused by the corona pandemic and also not to overreact at the same time. Companies had to start spending their resources on the development of various crisis scenarios or to immediately start laying off people. In Harju Elekter, we approached the crisis by the principle of one day at a time and we can now say that this tactic brought us success.

Our main problem in spring was not the discontinuation of orders or lack of work, but issues with the deliveries of materials and components, and temporary obstacles in the transportation of finished goods. At the same time, we needed more than before the help of temporary workers during the peak workload in summer. After learning the lesson taught by the crisis in spring, we were better prepared for the unexpected events in autumn. We are pleased to admit that we have managed to keep our people healthy, maintain their jobs and wages. The strong team spirit and the contribution of our employees are the things that allowed us to reach the best results in our history. A big thank you to everyone at Harju Elekter for this!

TIIT ATSO
CEO

We followed the principle that one must emerge from a crisis stronger than before entering it. Therefore, we made decisions with long-term impact during the development of the health crisis in spring, the most important of which was to continue with the planned investments and not to postpone a single one of them

Despite the everyday activities required to cope with the health and economic crisis, we did not forget the goals set for 2020 and took several steps towards them. Our focus during the year was mainly on the introduction of management changes and improvement of cooperation between Group companies. The changes made in Sweden, Finland and the Group as a whole went well and were a success. The relationships between the companies in the Harju Elekter Group have gradually grown stronger. This is illustrated by joint delivery contracts, participation in joint international projects and procurements, cross-usage of employees and increased exchange of information and best practices. The introduction of common Harju Elekter trademark has improved cooperation both inside and outside the Group. We want to be one and the same Harju Elekter for all of our partners and to offer the best know-how, product selection and solutions irrespective of the location.

Whilst rapid expansion has been our clear goal in previous years, the objective we chose in 2020 was to improve our profitability. Above all, we need to thank our customers who continued with the agreed orders, for the achievement of this goal. A significant contribution was made by the sales team of Harju Elekter, who has worked with determination for years to ensure that our main activities are covered with framework contracts and long-term project orders. Last year, the revenue we achieved is comparable to 2019 and our growth was modest only because several major projects were postponed until the improvement of the economic conditions. We are prepared for their inclusion in the production plans again in the near future, as electrification, the use of hybrid solutions and the introduction of hydrogen technologies will only accelerate due to the ground-breaking year of 2020.

We followed the principle that one must emerge from a crisis stronger than before entering it. Therefore, we made decisions with long-term impact during the development of the health crisis in spring, the most important of which was to continue with the planned investments and not to postpone a single one of them. We successfully completed the Laohotell 2 project in Allika Industrial Park and managed to fill the entire facility with tenants after its completion.
We invested in automation and digitalisation – the first industrial robot started working in our sheet metal factory and the implementation of contemporary business software started in all group companies. However, the most important achievement in our opinion is the fourth stage of the expansion of the Lithuanian factory – the final decision about this was made at the height of the health crisis. We believe that we must prepare for the end of the crisis and we cannot be late with our investments.

We achieved the best that could be achieved in such a ground-breaking year. We reacted rapidly to the changes, achieved our main goals in the reshaping of the structure of the Group, participated successfully in new procurements and are convinced that our brave investment decisions have helped us build an even stronger foundation for the coming years.

TIIT ATSO
CEO

Organisation

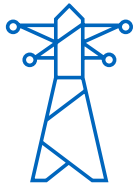
Operations and business philosophy of the Harju Elekter Group

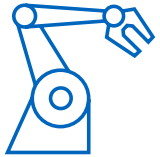
Harju Elekter is an international industrial group with over 50 years of experience, whose main area of activity is the development and production of electric and automation solutions. The customers of Harju Elekter are mostly large electricity distribution network, infrastructure, industrial and maritime companies in the Nordic countries. An increasingly more significant share of the technical solutions of Harju Elekter is aimed at the renewable energy sector by offering complete packages of solar power stations, electric car charging equipment and other related solutions. The main activities are supported by the contemporary company producing sheet metal details and products.

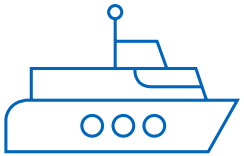
The business activities of the Group are divided in three main areas:

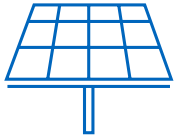
- **PRODUCTION** – design, sales, production and after-sales service of electricity distribution, switching and conversion equipment as well as automation, process control and motor control equipment.
- **INDUSTRIAL REAL ESTATE** – development of industrial real estate, project management, lease and associated services to lease partners and companies of the Harju Elekter Group.
- **OTHER ACTIVITIES** – management of financial investments, retail and project-based sales of electrical goods and electrical installation work in shipbuilding.

Harju Elekter is strongly focused on export and business outside Estonia, where almost 90% of the Group's products are marketed. The shares of AS Harju Elekter have been listed on the Nasdaq Tallinn Stock Exchange since 1997.


ENERGY

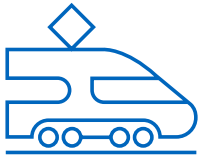

INDUSTRY & AUTOMATION


MARINE


RENEWABLE ENERGY

BUILDINGS

TELECOM


RAIL & INFRA

Mission

As a responsible industrial group, Harju Elekter provides customers and partners with intelligent, high-quality and environmental-friendly electrical and automation solutions.

Vision

To become one of the largest electrical and automation equipment designers and manufacturers in the Nordic countries.

Goal

We want to be successful in the long term, adding value for shareholders and being the first choice for our customers and partners, and providing motivating work and development opportunities to our international team.

Values

DEVELOPMENT – we are keen to learn and innovative

We are constantly expanding our know-how to develop advanced products. We value innovative proposals and are ready to implement them.

COOPERATION – we work as one team

We listen to our customers and collaborate with our partners to make products that meet and exceed our customers' expectations.

RELIABILITY – no bargaining over quality

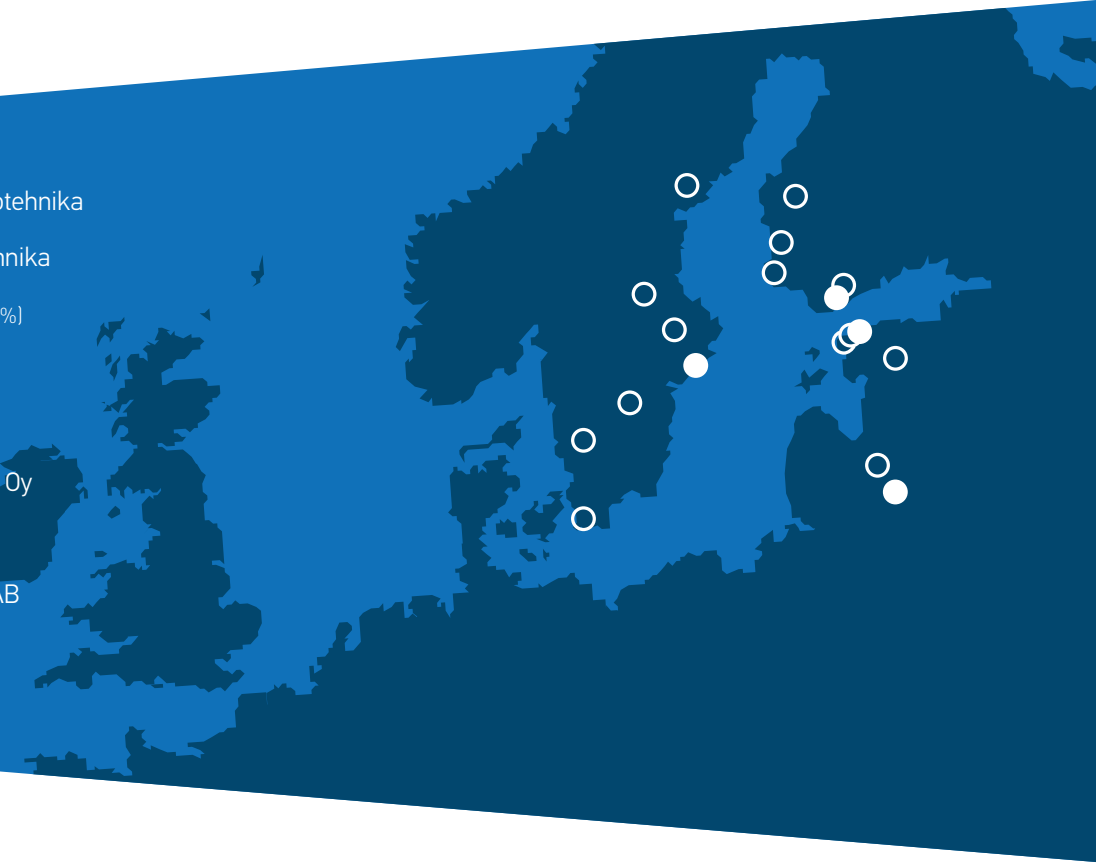
It is a great honor for us to make high-quality products. We make use of advanced technology and all our know-how to fulfill orders on time.

Harju Elekter Group

as of 31 December 2020

AS HARJU ELEKTER

- AS Harju Elekter Elektrotehnika
- AS Harju Elekter Teletehnika
- Energo Veritas OÜ (80.52%)
- Satmatic Oy
- Telesilta Oy
- Harju Elekter Kiinteistöt Oy
- Harju Elekter AB
- Harju Elekter Services AB
- Harju Elekter UAB



The holding of AS Harju Elekter in its subsidiaries

The holding of AS Harju Elekter in its subsidiaries is 100%, unless otherwise stated in the chart

ESTONIA

AS HARJU ELEKTER
The Group's parent company located in Keila, which coordinates and manages the cooperation between the companies of Harju Elekter and management of industrial property.

AS HARJU ELEKTER ELEKTROTEHNIKA
Producer of electrical equipment for the electricity distribution, industrial and construction sectors located in Keila.

AS HARJU ELEKTER TELETEHNIKA
Producer of tailor-made sheet metal products and solutions for the power energy and electronics sector located in Keila.

ENERGO VERITAS OÜ (80.52%)
Sales organisation of electrical materials and equipment in Estonia

FINLAND

SATMATIC OY*
Producer of industrial automation devices in Kerava and Ulvila, and a manufacturer of complete substations in Kurikka

TELESILTA OY
Shipbuilding electrical work company in Uusikaupunki

HARJU ELEKTER KIINTEISTÖT OY*
Industrial property management company

LITHUANIA

HARJU ELEKTER UAB
Company in Panevežys that specialises in the production of multidrive, MCC and electricity distribution systems for engineering and on the basis of contracts.

SWEDEN

HARJU ELEKTER AB*
Producer of the MV/LV solutions required for the generation and distribution of power and technical buildings for the infrastructure, construction and renewable energy sector in Malmö, Borlänge, Stockholm, Finspång, Borås, Luleå and Västerås.

HARJU ELEKTER SERVICES AB*
Sales organisation in Stockholm

Strategic Investments

(as of 31 December 2020)

ESTONIA

OÜ SKELETON TECHNOLOGIES GROUP (7.64%)
Developer and manufacturer of ultracapacitors

LATVIA

SIA ENERGOKOMPLEKSS (14%)
Sales organisation of medium- and low-voltage equipment in Riga

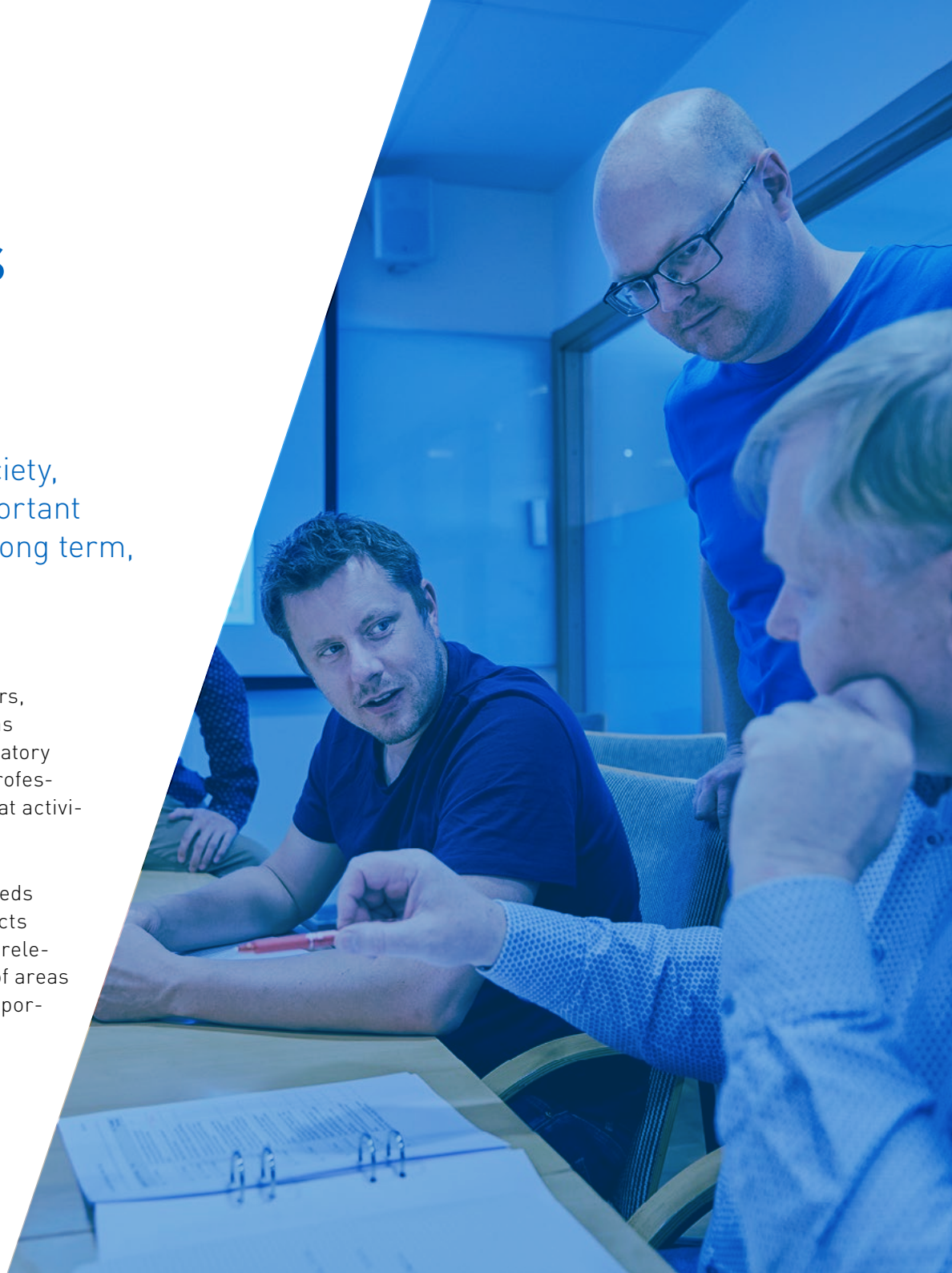
* A detailed overview of the structural changes in the Group is given on pages 13 and 16.

Harju Elekter Group's sustainability focus topics

Contributing to the creation of a sustainable society, business, living and natural environment is important to Harju Elekter and we understand that in the long term, it helps the Group to remain viable.

The Group values active communication with its stakeholders, i.e. customers, owners, employees, suppliers and the local community. Topics are raised as necessary in communication with the local authorities and residents, regulatory and supervisory authorities. In cooperation with educational institutions, professional associations and non-government organisations, we keep in mind that activities should create value for both parties.

Harju Elekter continues operating transparently and responsibly and proceeds from the overall view in the management of social and environmental impacts and the implementation of ethical and sustainable business practices. Still relevant focus topics were developed in 2017, which underline the importance of areas associated with social responsibility to stakeholders and the impact and importance of these topics for the Group.



Focus topics with impact on the sustainability of the Harju Elekter Group

PRODUCT AND CUSTOMER

1 Product quality
5 Innovation and development
6 Customer experience and satisfaction
14 Requirements for suppliers and purchasing principles

MANAGEMENT

3 Financial results
4 Honest and ethical business

STAFF

2 Occupational safety and health
7 Training and development of employees
8 Employee commitment and satisfaction
9 Labour availability
16 Diversity and fair treatment

ENVIRONMENT

10 Energy
11 Environmental impact of products
12 Materials and waste

COMMUNITY

13 Contributing to community development
15 Community relations and inclusion of stakeholders

Thus, the Harju Elekter Group focuses on:

- offering a quality product;
- development of a safe and healthy work environment;
- honest and ethical business culture and strong economic performance;
- innovation and development in products and processes;
- good customer experience and guaranteeing high satisfaction;
- constant training and development of employees.
- cooperation with educational institutions and professional associations.

Sustainable and responsible corporate governance is important in all activity segments and subsidiaries. The topics highlighted on the chart are parts of the strategic and operative management of the company, where less important aspects are taken into account in management decisions and underlying principles. Therefore, the Group's annual report for 2020 also includes an overview of the management and performance of all of these topics. The important aspects related to the focus topics of sustainability in the report are covered according to the international sustainable reporting framework, the GRI Standard, the contents of which is disclosed on the last pages of the Annual Report document.

2020 – Events, recognitions

Changes in the structure of the Group

SEBAB AB and Grytek AB, the 100% Swedish subsidiaries of the Harju Elekter Group, merged on 29 October. The legal successor, which until 14 December 2020 operated under the name of SEBAB AB, was renamed Harju Elekter AB. The Swedish subsidiary, which previously operated under the name Harju Elekter AB, was renamed Harju Elekter Services AB. The name of the Swedish subsidiaries was changed in order to harmonize the business names with the trademark used every day. The use of the common Harju Elekter brand helps strengthen the competitiveness of the Group and creates added value and additional opportunities in marketing.

The merger and division of the Finnish subsidiaries of AS Harju Elekter was entered into the Finnish Commercial register. Satmatic Oy merged with itself its wholly owned subsidiaries Finnkumu Oy and Kiinteistö Oy Ulvila Sammontie 9. After the merger, a partial division of Satmatic Oy was carried out, whereby Satmatic Oy transferred the real estate holdings in Ulvila and Kerava to Harju Elekter Kiinteistöt Oy. The main activity of Harju Elekter Kiinteistöt Oy is the management of industrial real estate belonging to the Group.

Changes in the managements of Group companies

At the meeting held on 16 March 2020, the supervisory board of AS Harju Elekter appointed the recent member of the management board and CFO Tiit Atso the CEO of the company as of 4 May 2020. The former CEO of the company Andres Allikmäe moved on to the position of Business Development Manager in the executive management of AS Harju Elekter after the expiry of the contract of the member of the management board on 3 May 2020. The management board of AS Harju Elekter continues with two members Tiit Atso (Chairman) and Aron Kuhi-Thalfeldt.

Mikael Schwartz Jonsson, who joined the Group on 1 October 2019, became the CEO of the Swedish companies SEBAB AB and Grytek AB on 1 January 2020. The former CEO Thomas Andersson started working as the Swedish Sales and Marketing Manager on 1 January 2020.

Recognitions

In May, The Finnish business newspaper Kauppalehti awarded Finnkumu Oy with the "Achievers 2020" title. Such acknowledgement is given to companies with a well-established economic activity, stable growth, good results and profitability, strong financial structure, and liquidity to ensure sustainable activity.

The Group's Lithuanian subsidiary Harju Elekter UAB was awarded the title of Exporter of the Year 2019 by the Lithuanian Chamber of Commerce in September. The most important conditions for participation in the competition are that the share of export in the company's revenue must exceed 50% and export must increase by more than 10% in comparison with the previous period. In 2019, Harju Elekter UAB exported 2.3 times more than in 2018.

In November, AS Harju Elekter was ranked among the TOP 101 most valuable companies in Estonia. The ranking was prepared by Prudentia and Nasdaq Tallinn. We were particularly pleased that the Harju Elekter was ranked in the high third place in terms of corporate governance.

Significant events

SEBAB AB, the Swedish subsidiary of Harju Elekter, won three important procurements in the energy distribution sector in the first quarter. Within the scope of the project, the Swedish subsidiaries manufactured two special substations and a battery storage, incl. prefabricated substations, direct current switchboards, control cabinets, MV switchyards. The volumes of projects totalled 5.7 million euros.

AS Harju Elekter Elektrotehnika received a follow-up order for the delivery of the Singapore data warehouse delivered in 2019, which can be deemed the best customer feedback. The performance of various special solutions aimed at data warehouses will continue in cooperation with Siemens.

Two registered immovables with the total area of 14.6 ha were acquired near the Allika Industrial Park in Saue Municipality for possible real estate developments and the establishment of solar power plants.

The companies of the Harju Elekter Group participated in the largest power trade fair in Jyväskylä, Finland, in early February. Sähkö, Tele, Valo & AV brought the professionals of this field together for three days so they could enjoy hundreds of exhibits and the seminar programme. The Harju Elekter companies shared a stand, where they presented a wide selection of the Group's products and services, including the MCC row cabinet system HECON developed in Harju Elekter for 2,500–4,000 A solutions and the substation models designed to meet the Nordic requirements.

The cornerstone of Laohotell 2 of AS Harju Elekter was laid on 22 May. This is the fifth registered real estate property of Harju Elekter in the 30 ha Allika Industrial Park with 18 registered immovables located next to Paldiski Road in Harku that has been taken in use. The Laohotell was completed in the fourth quarter and 100% of the building, whose total area is 3,877 m^2, is filled with tenants.

Energo Veritas OÜ closed its loss-generating store in Keila on 31 May and the company started serving its North Estonian customers in the new store at Tuisu 19, Tallinn.

The annual general meeting of shareholders of AS Harju Elekter was held on 30 June, where the annual report for 2019 and profit distribution proposal were approved and the decision was made to pay the shareholders dividends for 2019 in the amount of 0.14 euros per share, 2.5 million euros in total. The dividends were transferred to the bank accounts of the shareholders on 21 July 2020.

The cornerstone of the extension of stage four of the factory of Harju Elekter UAB, the Lithuanian subsidiary of Harju Elekter, was laid in Panevežys on 6 August. The office and production premises of the Lithuanian subsidiary will increase from 8,765 m^2 to 16,761 m^2 after the completion of the construction work. The total cost of the investment is up to 6 million euros. The investments made in the expansion of the plant will allow Harju Elekter UAB to double the company's income. According to plans, the extension will be completed and taken in use in the second quarter 2021.

On 1 September Finnkumu Oy, the Finnish manufacturing company of Harju Elekter Group, was awarded the joint procurement of Järvi-Suomen Energia Oy and Savon Voima Verkko Oy for the supply of prefabricated substations. The estimated volume of the contract is 18 million euros. Deliveries will take place from 2021 to 2023 with an extension option of four years.

On 21 September SEBAB AB, the Swedish subsidiary of the Harju Elekter Group, entered into an energy project contract with the administrative agency Region Stockholm, that is responsible for public transport, on the basis of which the substation of the Slussen underground stop in Stockholm will be thoroughly renovated. The project, which lasts for a year, started in September and the approximate volume of the contract is 3.5 million euros. The reconstruction of the underground station is a part of the extensive reconstruction of the Slussen district in Stockholm, which covers the construction of new structures and the transformation of transport by 2025.

On 22 September Harju Elekter entered into an eight-year framework contract with Elenia Oy, the second largest electricity distribution system operator in Finland. Harju Elekter and Elenia signed the first supply contract for the years 2021-2023, on the basis of which the subsidiaries of Harju Elekter, AS Harju Elekter Elektrotehnika and Satmatic Oy, will produce approximately 2,000 compact substations for Elenia Oy in three years. The approximate volume of the contract is 20 million euros.

Events after the reporting date

The new business name of Satmatic Oy, a 100% Finnish subsidiary of AS Harju Elekter, is Harju Elekter Oy as of 14 January 2021. The name change of the Finnish subsidiary was carried out with the purpose of combining the business names with the brand used daily. Harju Elekter Oy will continue with all existing business lines and offering solutions for the energy, industry, and construction sectors.

On 19 January 2021 Harju Elekter Group concluded an agreement with Caruna Oy, Finland's largest distribution network company. The contract is for the period 2021-2023 and its estimated total volume for next three years is 14 million euros. According to the terms of the frame agreement Harju Elekter's subsidiaries AS Harju Elekter Elektrotehnika and Harju Elekter Oy will manufacture and deliver for Caruna about 1,000 prefabricated substations over a period of three years. For the contract there is an extension option of two years, which will be done after 2023 for each year separately.

On 10 February 2021, Harju Elekter Group's Swedish subsidiary Harju Elekter AB signed a framework agreement with E.ON Energidistribution AB, the largest distribution network company in Sweden. According to the agreement, approximately 1,500 substations will be supplied over the period of three years, and the total volume of the agreement is nearly 15 million euros. The substations will be manufactured in the factory of AS Harju Elekter Elektrotehnika in Estonia.

Energo Veritas OÜ, a subsidiary of Harju Elekter Group, was successful in the tender held by Enefit Connect OÜ for the supply of hermetic transformers. A framework contract with the total volume of 12 million euros will be signed for a period of three years with the possibility of a two-year extension.

The Swedish subsidiary of Harju Elekter Group, Harju Elekter AB, signed electricity project contracts with Region Stockholm, the administrative body responsible for public transport. These contracts will serve as the basis for the upgrading of the electrical systems of the Albano and Rådhuset metro stations in Stockholm by April and September 2022, respectively. The approximate volume of the contracts is 3.1 million euros.

Operations of the Group in 2021

The start of this year was eventful. We managed to win new procurements and enter into framework contracts in Finland and Sweden, which guarantees us significant volumes of work for many years.

The renovation of power grids continues in the Nordic countries as they are facing an increase in energy consumption, which is driven by the electrification of railways, roads (charging points) and ports, and the introduction of more environment-friendly ships and vehicles. Price trends indicate that the difference between the daytime and night-time price of power is increasing, which means that consumption and generation must be increasingly smarter. New technologies and storage opportunities, which support balancing the price difference, will come to help here. The development in the sector and the general movement towards environmental friendliness presents numerous opportunities for the areas of activity of Harju Elekter.

Harju Elekter, which develops and produces power and automation solutions suitable for customers, guarantees its sales base load in the upcoming years to the electricity distribution network customers with substation delivery contracts in Estonia, Finland and Sweden, and to Nordic partners in the industrial and maritime sector. Production in the Group is thereby increasingly more linked to the implementation of new innovative technologies, e.g. a new vehicle charging station solution was created in Harju Elekter which will be sold not only in Finland but also in Sweden and Estonia.

The plan is to gradually increase production with the development and production of technology intensive technical buildings, where the customers are mostly companies that provide infrastructure services (including data centres) and energy intensive production companies. Several infrastructure, industrial and shipbuilding projects will also continue in 2021. In the area of industrial real estate, we will continue investing and keep the Group companies as well as external customers in mind for the purposes of giving premises on lease. The fourth stage of the extension of the Lithuanian factory is in its final stage by now and we are planning a new building for the Allika Industrial Park. Changes are planned in the Keila Industrial Park, where extensions are needed for the production of increasingly bigger and more complicated technical buildings for data centers. We will also continue building solar parks so that increasingly more of the power used in the factories of Harju Elekter would be produced from renewable sources of energy.

Early in the year, the investment made by Harju Elekter in OÜ Skeleton Technologies Group attracted a lot of attention from the public and was also the reason for large volume of share transactions. Harju Elekter made the investment in relation to long-term strategic goals, because we believe in the development of new energy carriers and the growing need. As the ultracapacitors cannot solve all of the problems related to climate change, but work in accordance with other storage and electrotechnical solutions, we also see opportunities for cooperation between companies in the future. We will let the investors decide how much of the potential of Skeleton should be reflected in the present share price of Harju Elekter, but we proceed from the principle of conservatism and will not assess the profitability before the value can be reliably measured. Harju Elekter is not planning to make any significant risky investments in the near future, but the Group participates in the investment rounds of smaller start-ups to support these companies and their possible success stories. The development teams of the Group keep an eye on start-up and scale-up companies in order to include innovative partners and solutions for the development of our product portfolio where necessary.

Financial summary

GROUP	2020	2019	2018	2017	2016
STATEMENT OF PROFIT OR LOSS (million euros)					
Revenue	**146.6**	143.4	120.8	102.4	61.2
Gross profit	**21.2**	18.2	16.0	15.4	10.4
Operating profit	**6.5**	3.3	2.4	5.4	3.2
Net profit (belonging to owners of parent company)	**5.6**	2.5	1.5	[2]29.1	3.2
STATEMENT OF FINANCIAL POSITION AS AT THE YEAR END (million euros)					
Total current assets	**49.7**	48.0	44.0	48.7	22.3
Total non-current assets	**65.7**	59.9	54.2	41.3	51.7
Total assets	**115.5**	107.9	98.2	90.0	74.0
Equity (belonging to owners of parent company)	**73.5**	67.1	66.9	69.9	60.3
Equity multiplier (%)	**63.0**	65.1	72.7	77.7	81.5
GROWTH RATES (% cf previous year)					
Revenue	**2.2**	18.7	18.0	67.4	0.8
Gross profit	**16.3**	14.2	4.0	48.2	0.6
Operating profit	**100.0**	35.6	-55.7	71.1	-2.9
Net profit (belonging to owners of parent company)	**126.1**	59.1	-94.7	[2]804.9	0.9
Total assets	**7.0**	9.9	9.1	21.6	11.1
Equity (belonging to owners of parent company)	**9.6**	0.2	-4.2	15.9	3.8

GROUP	2020	2019	2018	2017	2016
PROFITABILITY RATIOS (%)					
Gross margin	**14.5**	12.7	13.2	15.0	16.9
Operating margin	**4.5**	2.3	2.0	5.3	5.2
Net profit margin	**3.8**	1.7	1.3	28.4	5.3
Return on assets (ROA)	**5.0**	2.4	1.7	35.5	4.6
Return on equity (ROE)	**7.9**	3.7	2.3	44.7	5.4
SHARE (euros)					
Average number of shares (1,000 pcs)	**17,740**	17,740	17,740	17,740	17,740
Equity per share	**3.96**	3.78	3.86	3.67	3.34
Closing price of share	**5.18**	4.21	4.12	5.00	2.83
Net profit per share	**0.31**	0.14	0.09	1.64	0.18
P/E ratio	**16.52**	30.07	45.78	[2]3.05	15.72
Dividend per share	[1]**0.16**	0.14	0.18	0.24	0.18
LIQUIDITY RATIOS					
Current ratio	**1.4**	1.6	2.2	2.4	2.1
Liquidity ratio	**0.9**	0.9	1.5	1.6	1.3
PERSONNEL AND SALARIES					
Average number of employees	**780**	778	713	567	455
Number of employees at the end of period	**784**	791	736	630	480
Salaries (million euros)	**21.3**	21.4	18.6	14.1	10.6

[1] Management board proposal
[2] Considers profit from extraordinary sale of investment in 2017

Operating margin	= Operating profit / Revenue*100
Net margin	= Net profit (attributable to owners of the parent company) / Revenue*100
Gross profit margin	= Gross profit / Revenue * 100
Equity per share	= Equity (average, attributable to owners of the parent company)) / Number of shares (average of the period)
Return of assets (ROA)	= Net profit (attributable to owners of the parent company) / Average assets*100
Return of equity (ROE)	= Net profit (attributable to owners of the parent company) / Average equity (attributable to owners of the parent company) *100
Equity multiplier	= Average equity (attributable to owners of the parent company) / Average assets*100
Earnings per share	= Net profit (attributable to owners of the parent company / Average number of shares
P/E ratio	= Share closing price / Earnings per share
Current ratio	= Average current assets / Average short-term liabilities
Quick ratio	= Average liquid assets (current assets-inventories) / Average short-term liabilities

Economic environment overview

World economy

The economic environment in 2020 was extremely turbulent. The generally positive and growth-oriented trends and attitudes that prevailed at the beginning of the year were replaced by a negative future outlook in February and March due to the extensive and accelerating spread of the coronavirus. Insecurity and uncertainty created major volatility in stock markets, and for a while, the oil price per barrel turned negative and innumerable restrictions were applied varying by country and region. In the summer and in the second half of the year, the situation somewhat stabilized but was still impacted by the second and third waves of the virus and the related restrictions. According to preliminary estimates, the world economy contracted by 3.5% - 4% in 2020. According to the data of Eurostat, the eurozone economic downturn was in the range of 4.8% - 5.1%.

Despite the turbulent year 2020 and the currently ongoing health crisis, strong economic growth across the globe is forecast for this year and following years. According to the estimates of the International Monetary Fund (IMF), the economic growth may reach up to 5.5% in 2021 and 4.2% in 2022. The recovery and further growth will be very different by region and industry, and will primarily depend on overcoming the health crisis, the key to which is successful vaccination. The European Union and the USA with their monetary policies have been and are expected to be strongly supportive of the recovery, using various aid packages as well as the so-called money printing which in turn has raised the sovereign debt of countries that were already previously at record levels. Today it is very difficult to estimate the total cost of the health crisis related to the coronavirus and its potential impacts in the upcoming years or even for decades.

Nordic and Baltic countries

If the preliminary economic indicators and forecasts concerning the year 2020 will remain in place, then the Nordic and Baltic countries are the countries with the lowest economic downturn indicators in Europe. Countries have had very different responses to dealing with the health crisis that has impacted them all, but the region in general has coped quite well from the point of view of its economy. According to the preliminary data, the gross domestic product of Latvia contracted by 1.2% in the fourth quarter of 2020 as compared to the previous year and in Lithuania, the respective figure was 1.4%. The GDP of the Nordic countries is expected to have contracted by 3%. The strength of the highly advanced Nordic countries in overcoming the crisis lies in their significant support to businesses, strong labour market and domestic consumption.

If the preliminary economic indicators and forecasts concerning the year 2020 will remain in place, then the Nordic and Baltic countries are the countries with the lowest economic downturn indicators in Europe

Estonia

According to Statistics Estonia, the Estonian economy decreased by 1.2% in the fourth quarter and by 2.9% in 2020. Recurrent periodic restrictions and insecurity have impacted trade,

accommodation and catering services as well as manufacturing the most in Estonia. Export and transport connection restrictions and the peak of the coronavirus crisis in spring severely impacted foreign trade in the first half of the year, while it recovered quickly in the second half of the year. Exports for the entire year fell only by 1% as compared to 2019. Domestic private consumption of goods and services decreased by 2.5% in a year, whereby the largest expenditures on recreational activities, traveling and transport were replaced by expenditures on health care, information, communication, home and living costs. For businesses, the wage pressure also eased, while investments decreased or were postponed.

When looking back at the year ended, it can be stated that the Estonian economic environment stayed surprisingly strong – the labour market remained strong, the industrial and financial sector escaped without major losses similarly to the economic crisis of 2008, and the national tax and budgetary policies were quite stable

When looking back at the year ended, it can be stated that the Estonian economic environment stayed surprisingly strong – the labour market remained strong, the industrial and financial sector escaped without major losses similarly to the economic crisis of 2008, and the national tax and budgetary policies were quite stable. Under the assumption that once the health crisis subsides, economies reopen and people resume their prior consumption habits, then a quick economic recovery is possible. In respect of 2021, the analysts tend to be somewhat positive about the outlook for the Estonian economy that is expected to surpass the pre-decline level of 2020. For example, according to the estimate of SEB Bank, Estonia is expected to grow by 3.3% in 2021.

Sources: IMF, Eesti Pank, Statistics Estonia, SEB Pank, Swedbank

Operating results

Revenue, expenses and profit

The year 2020 turned out to be full of changes and despite being a difficult year, it was a success for Harju Elekter Group. The large-scale investments of the Group over the last several years and active sales work to increase its market share in Scandinavia and the local market have paid off. The sales orders of prior periods and new additions in the financial year led to record revenue and operating profit.

the consolidated
SALES REVENUE
146.6 million euros (2019: 143.4)

the consolidated
OPERATING PROFIT
6.5 million euros (2019: 3.3)

the consolidated
NET PROFIT
5.5 million euros (2019: 2.4)

Revenue

The consolidated revenue for 2020 totalled 146.6 (2019: 143.4) million euros. The sale of electrical equipment and sheet metal products and electrical works in shipbuilding where the reference base for 2019 was extremely low due to the completion of large-scale works in the shipbuilding sector, contributed the most to revenue.

The Group's operations are divided into three segments: Production, Real estate and Other activities. Manufacturing, i.e. the Group's core activity contributes the largest share, 85.6% (2019: 87.1%) and Real estate and Other non-segmented activities contributed 14.4% (2019: 12.9%) to the consolidated revenue. The revenue of the Production segment remained at the same level as last year, totalling 125.6 (2019: 124.8) million euros.

The lease income in the Real estate segment is generated from rental premises in Keila, Allika and Haapsalu Industrial Parks. To help tenants cope during the difficult state of emergency, Harju Elekter temporarily lowered rental prices at the request of its tenants. The reduction in rental prices was offset by the completion of new rental premises in Allika Industrial Park and new tenants in Keila in the fourth quarter. Overall, the revenue of the Real estate segment totalled 3.3 (2019: 3.3) million euros, accounting for 2.2% (2019: 2.3%) of the consolidated revenue.

The revenue of other non-segmented activities increased year-over-year to 17.8 (2019: 15.3) million euros. The revenue from retail and project-based sale of electrical products primarily came from the customers in the electricity and other infrastructure area, as well as construction companies and the public sector, while the revenue of electricity installation works was generated in the shipbuilding sector.

The Group's largest target markets are still Estonia, Finland, Sweden and Norway; hence the Group's sales volumes are greatly impacted by developments in these markets.

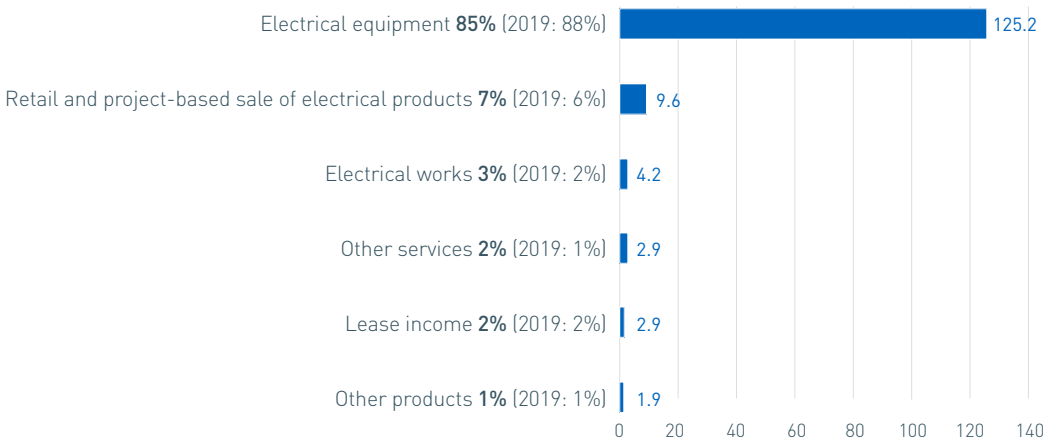
In 2020, the Group sold 16.0% of its products and services in the Estonian market, earning revenue of 23.5 (2019: 16.7) million euros. The key growth driver was the framework agreement

with Elektrilevi OÜ won in 2019 to build prefabricated compact substations. The Group's sales to other countries accounted for 84.0% in the reporting period and 88.3% in the comparable period.

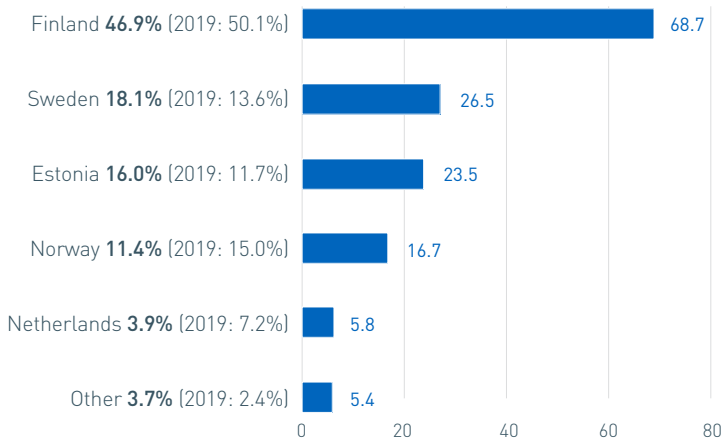
In year-over-year comparison, the sales to the Finnish market which is the largest and most important market of the Group have decreased by 3.0 million euros to 68.7 million euros. The sales to Finnish electricity network companies, whose orders declined due to the renewal of procurement contracts, contributed the most to the sales volume. In the majority of the new procurements announced, we were successful. The Finnish market contributed 46.9% to the Group's revenue which is 3.2 percentage points less than in the comparable period. The decline in the share of the Finnish market in the Group's revenue was offset by strong sales volume growth in the Swedish and Estonian markets.

Sweden is the Group's second largest market, contributing 18.1% to the Group's consolidated revenue in the financial year. In the financial year, revenue earned in the Swedish market totalled 26.5 million euros which was 7.0 million euros

Revenue by business activities (mln euros) and their share in the Group's revenue (%)



Revenue by markets (mln euros) and their share in the Group's revenue (%)



more than in 2019. Growth was driven by higher sales of Estonian substations to the Swedish market as well as the overall higher volume of Swedish orders.

In the financial year, the sales generated in the Norwegian market totalled 16.7 million euros which is 4.9 million euros less than in 2019, contributing 11.4% (2019: 15.0%) to consolidated revenue. The sales drop in the Norwegian market was related to record high orders in the third and fourth quarters of 2019.

Sales to the Netherlands market declined year-over-year by 4.5 million euros to 5.8 million euros, contributing 3.9% (2019: 7.2%) to consolidated revenue. Similarly to Norway, decrease in sales in the Netherlands was related to the completion of several large-scale projects and postponement of customer orders.

Revenue from other markets increased by 1.9 million euros to 5.4 million euros in a year and it was primarily impacted by higher sales to the German market. In the financial year, the other markets contributed 3.7% (2019: 2.4%) to consolidated revenue. Of the other markets, the largest were Germany, Denmark and Austria, where sales totalled 1.7 million, 1.3 million and 1.3 million euros, respectively, in 2020.

Expenses

In the financial year, operating expenses increased only by 0.3%, totalling 140.5 (2019: 140.1) million euros. The cost of sales also remained at the same level as in the previous year, totalling 125.4 (2019: 125.2) million euros. However, revenue growth was 2.0 percentage points higher than the growth in the cost of sales, lifting the gross margin by 1.8 percentage points to 14.5% as compared to the comparable period.

The Group's marketing and administrative expenses increased by 0.2 million euros to 15.1 million euros in a year. The share of marketing expenses in revenue decreased marginally, and totalled 4.2% in the financial year while the share of administrative expenses in the Group's revenue remained at 6.6%.

In 2020, the personnel expenses totalled 27.3 (2019: 26.5) million euros. Higher staff costs were primarily related to the good performance of the Group companies as well as extraordinary changes made in manufacturing during the difficult year that resulted in higher working time and higher additional pay. In addition, the cost of the share option program in the amount of 263 (2019: 189) thousand euros was included in labour costs for the financial year. In year-over-year comparison, labour costs ratio to revenue remained at the same level, i.e. 18.6%. In the financial year, employee wages and salaries totalled 21.3 (2019: 21.4) million euros. The average monthly salary per employee was 2,278 (2019: 2,296) euros. Stability has been attained in labour costs and number of employees over the last several quarters as a consequence of the investments and structural changes made in previous years. During the peak periods, temporary employees have been hired, thus enabling local youth and students to gain new knowledge and practical experience in the manufacturing sector.

Profit

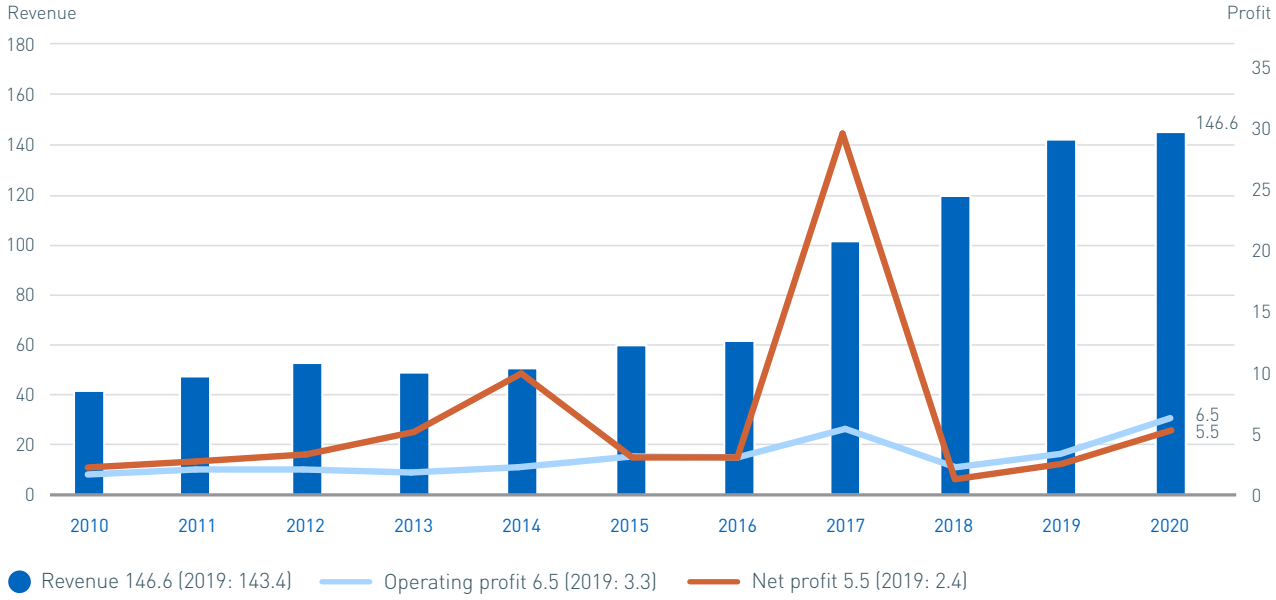
In the financial year, the consolidated gross profit of Harju Elekter totalled 21,209 (2019: 18,244) thousand euros and the gross margin was 14.5% (2019: 12.7%). Over the 12-month period, the operating margin increased by 2.2 percentage points to 4.5% and the operating profit (EBIT) doubled year-over-year to 6,546 (2019: 3,273) thousand euros.

In 2020, the consolidated net profit increased by 133.5% to 5.5 (2019: 2.4) million euros, of which

the share attributable to the owners of the Parent company totalled 5.6 (2019: 2.5) million euros. Earnings per share were 0.31 (2019: 0.14) euros. According to the Group's dividend policy, at least one third of the net profit generated in the ordinary course of business is paid out as dividends. When making a proposal to pay dividends, the Management Board takes into account significantly improved operating results as well as higher investments and the financial position. With the approval of the Supervisory Board, the Management Board proposes to the annual general meeting of shareholders to pay 0.16 euros per share or a total of 2.8 million euros as dividends, i.e. 51% of the net profit for 2020.

Revenue, operating and net profit

mln euros



Financial position and cash flows

Financial position

As at the end of the reporting period, current assets accounted for 43.1% (2019: 44.5%) and non-current assets 56.9% (2019: 55.5%) of total assets, while liabilities accounted for 36.4% (2019: 37.9%) and equity 63.6% (2019: 62.1%).

As at 31 December 2020, the Group's assets totalled 115.5 million euros, increasing by 7.6 million euros in a year. In the financial year, the Group's current assets increased by 1.7 million euros to 49.7 million euros, including cash that decreased by 2.0 million euros to 2.8 million euros, trade and other receivables that increased by 4.3 million euros to 27.2 million euros and inventories that decreased by 0.2 million euros to 18.9 million euros. The lower cash balance is related to the dividend payments at 21 July in the total amount of 2.5 million euros, major investments in non-current assets in the financial year as well as sales invoices issued before the end of the reporting period and recognized as receivables.

By 31 December 2020, the cost of non-current assets made up 56.9% or 65.7 (31 December 2019: 59.9) million euros. During the financial year, the Group invested 8.1 (2019: 5.5) million euros in non-current assets, including 3.1 (2019: 0.9) million euros in real estate, 4.6 (2019: 4.2) million euros in property, plant and equipment, and 0.3 (2019: 0.4) million euros in intangible assets. In the financial year, the company launched construction of the fourth stage of the production and office building in Lithuania. In addition, investments were made in manufacturing-related non-current assets, IT developments, construction of the production building in Allika Industrial Park and acquisition of new registered immovables.

In the financial year, long-term financial investments increased by 1.4 million euros. The majority of this growth was attributable to the change in the estimated fair value of the ownership share in OÜ Skeleton Technologies Group in the amount of 8.8 million euros. In 2020, the proceeds from the sale of listed securities totalled 1.7 million euros and the value of other securities in the portfolio fell by 519 thousand euros. The changes in fair value of other securities and realized profit in the amount of 80 thousand euros were recognized through other comprehensive income.

As at 31 December 2020, the Group's liabilities totalled 42.1 (2019: 40.9) million euros, of which current liabilities made up 83.1% and 80.5% in the comparable period. In the financial year, current liabilities increased by 2.1 million euros to 35.0 million euros, including trade payables by 2.0 million euros to 4.2 million euros. As at 31 December 2020, interest-bearing liabilities accounted for 45.4% (2019: 46.9%) of the Group's liabilities and 16.5% (2019: 17.8%) of the cost of assets. The Group's interest-bearing liabilities totalled 19.1 (31 December 2019: 19.2) million euros, of which the current portion was 12.1 (31 December 2019: 11.3) million euros and non-current borrowings was 7.0 (31 December 2019: 7.9) million euros. Long- term loans and leases have been used in conjunction with real estate developments in Estonia and Lithuania, and the investment in the automated production equipment. The current and non-current borrowings recognized under IFRS 16 "Leases" decreased by 0.6 million euros to 1.3 million euros. The Group's equity increased by 6.4 million euros to 73.4 million euros, and the share attributable to the owners of the Parent Company was 73.5 million euros.

Cash flow

In the reporting period, the total cash flow was 7.0 million euros and a year earlier, it was 6.2 million euros.

During the financial year, various investments totalled 8.0 million euros, including 7.9 million euros in real estate properties, property, plant and equipment and intangible assets and 0.1 million euros in financial investments. In 2020, the proceeds from the sale of the securities portfolio were 1.7 (2019: 0.6) million euros. In summary, the cash outflow from investment activities totalled 6.3 million euros and in the comparable period the cash outflow was 5.5 million euros.

In 2020, dividends in the amount of 2.5 million euros were paid for 2019, i.e. 0.14 euros per share which was 0.7 million euros less than in the previous year. Current and non-current loans were taken in amount of 3.2 (2019: 2.9) million euros and 1.1 (2019: 1.0) million euros was paid back. The overdraft facility decreased by 1.1 million euros, while it increased by 3.9 million euros in 2019. In summary, the cash outflow from financing activities was 2.8 million euros.

Over the 12-month period, cash and cash equivalents decreased by 2.0 million euros to 2.8 million euros and in the comparable period, they increased by 1.8 million euros to 4.9 million euros.

In the reporting period, the total cash flow was 7.0 million euros and a year earlier, it was 6.2 million euros

Business segments

In the financial year ended, the Group operated in two areas which were large enough to form separate segments, and of which the related risks and benefits were significantly different and clearly identifiable. These segments were Production and Real estate.

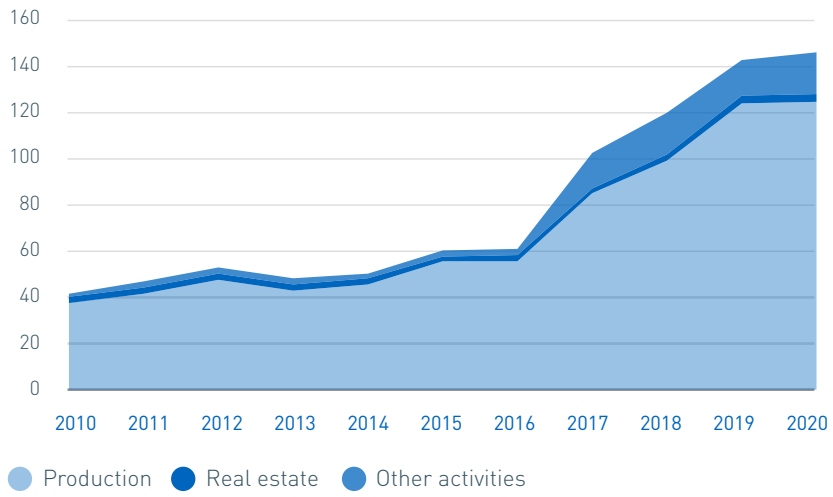
The activities in the Production segment include the design, sale, production and after-sale service of electricity distribution, switching and transformation equipment as well as automatics, process management and industrial engine control equipment.

The Real estate segment covers industrial real estate properties development, project management, leasing and other related services to leasing partners and the Group companies.

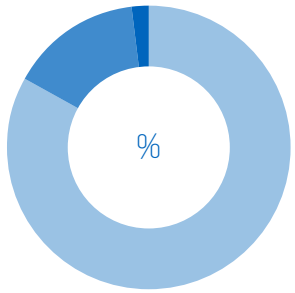
Other activities encompass all other non-segmented operating areas where each area is not large enough to form a separate segment. Such activities are, for example, management of financial investments, retail and project sale of electrical goods and electricity installation works for shipbuilding sector.

Revenue of business segments

mln euros



Revenue by segments



86% Production (2019: 87%)
12% Other activities (2019: 11%)
2% Real estate (2019: 2%)

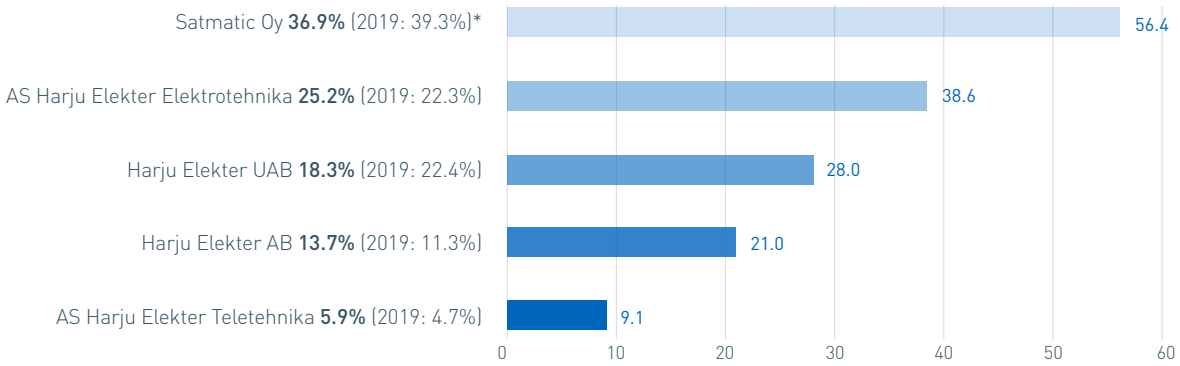
Production

The Production segment includes electrical equipment plants in Estonia (AS Harju Elekter Elektrotehnika), Finland (Satmatic Oy), Sweden (Harju Elekter AB, former name: SEBAB AB) and Lithuania (Harju Elekter UAB). The majority of the products manufactured at these plants include medium- and low-voltage electric power distribution equipment (various substations, cable distribution cabinets and metering cabinets), different electricity switching and conversion equipment as well automatic and control boards for energy, manufacturing and marine sectors, and infrastructure. The Production segment also includes AS Harju Elekter Teletehnika (Estonia), a manufacturer of sheet metal products for electrical engineering and telecommunications sectors and Harju Elekter Kiinteistöt Oy, whose core activity is the management of the Group's industrial real estate properties in Finland and used by the companies in the Production segment that has no impact on the Group's consolidated revenue.

In the financial year, there were several structural changes in the Group which impacted the Production segment to a greater or lesser degree: the merger of SEBAB AB and Grytek AB in Sweden, the merger of Finnkumu Oy and Kiinteistöt Oy Ulvila Sammontie 9 with Satmatic Oy and partial division of Satmatic Oy that transferred the real estate units in Ulvila and Kerava to Harju Elekter Kiinteistöt Oy.

In 2020, the revenue of the Production segment was 131.7 (2019: 129.1) million euros, including revenue from external customers of 125.6 (2019: 124.8) million euros. The Production segment's non-group revenue contributed 85.6% (2019: 87.1%) to consolidated revenue. The Production segment's revenue from external customers increased by 0.6% (2019: 25.1%) year-over-year. The sales growth in the financial year was partly impacted by the significant changes and postponements of the order volumes by the customers that decelerated the growth initially planned for 2020.

Revenue by Production segment companies (mln euros) and their share in Production segment revenue (%)



* The revenue of Satmatic Oy includes the mediated sales of products from Estonia in the amount of 17.0 million euros.

HARJU ELEKTER GROUP REACHED AN AGREEMENT WITH FINLAND'S SECOND-LARGEST ELECTRICITY DISTRIBUTION SYSTEM OPERATOR, ELENIA OY

On September 22, 2020, Harju Elekter entered into an eight-year framework contract with Elenia Oy, Finland's second-largest electricity distribution system operator. Harju Elekter and Elenia signed the first delivery contract for the years 2021-2023, on the basis of which the subsidiaries of Harju Elekter, AS Harju Elekter Elektrotehnika and Satmatic Oy, will produce approximately 2,000 compact substations for Elenia Oy in three years. The approximate value of the contract is 20 million euros.

AS Harju Elekter Elektrotehnika

AS Harju Elekter Elektrotehnika, the fully-owned subsidiary of AS Harju Elekter, is a leading developer, producer and distributor of medium- and low-voltage electrical equipment.

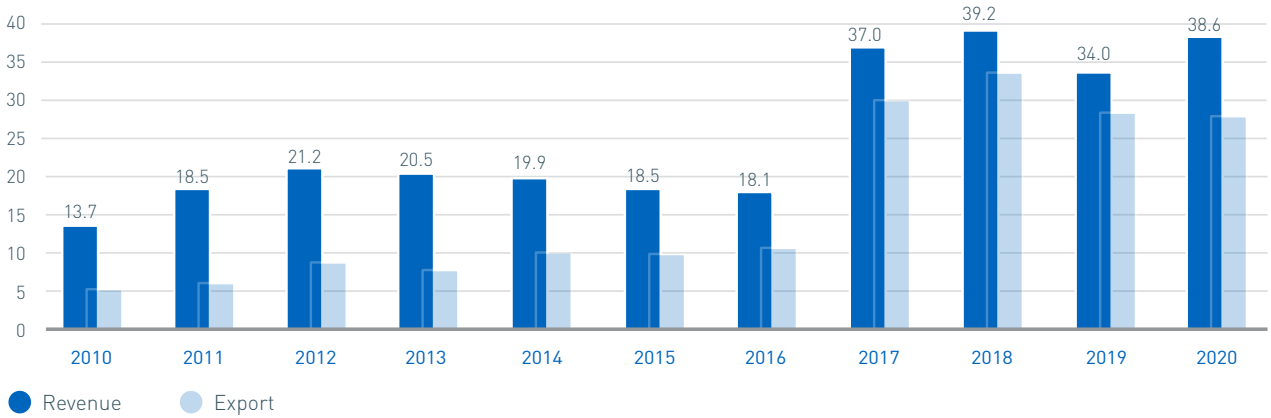
The company's head office and factory are located in Keila Industrial Park, where the company uses almost 23,100 m² of production, office and warehouse premises. At the end of the financial year, 223 (2019: 208) people worked at the company, while one fifth of the staff worked in the sales and product development areas. During the financial year, the company employed 213 (2019: 226) people on average.

While the year 2019 was full of challenges for AS Harju Elekter Elektrotehnika, marked by modest reduction of orders, the year 2020 was again a year of growth. In the financial year, revenue totalled 38.6 (2019: 34.0) million euros which was 13.4% higher than in 2019. Exports made up 73.1% (2019: 84.8%) of the sales volume.

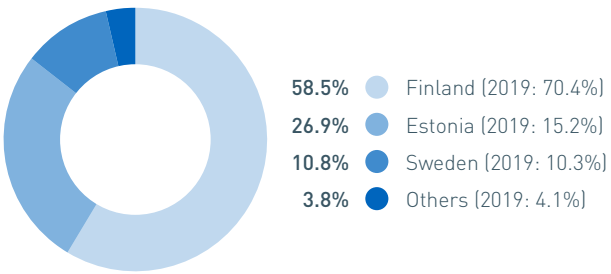
The biggest export target markets are still Finland and Sweden, with the addition of Netherlands as well. The sales volume in the Estonian market and the contribution to the company's revenue has almost doubled as compared to the last reporting period. The growth in the

Revenue

mln euros



Sales by markets



Estonian market's is related to the new 62-month framework agreement concluded with Elektrilevi OÜ in the fourth quarter of 2019 which execution started successfully in 2020.

In 2020, the company continued to invest in securing its production activities and in developing the product portfolio. Several new solutions for compact secondary substations were developed, and development and prototyping works were carried out. Also, worth highlighting are the new low-voltage connection solutions for solar parks and technical solutions for ensuring security of supply of data centers.

Along with the development of the product portfolio, higher attention was paid to participation in several major tenders in 2020, and as of today, the majority of which have turned out to be successful.

In September 2020, the Group concluded a new framework agreement for eight years with Elenia Oy that is the second largest electricity distribution system operator in Finland. At the beginning of 2021, Harju Elekter Group concluded new agreements with Caruna Oy and with E.ON Energidistribution AB that are one of the largest distribution network operators in Finland and Sweden, respectively. AS Harju Elekter Elektrotehnika played an important role in winning the tenders and executing the contracts, because these products are manufactured in the company's factory located in Keila.

In 2020, the company continued to invest in securing its production activities and in developing the product portfolio

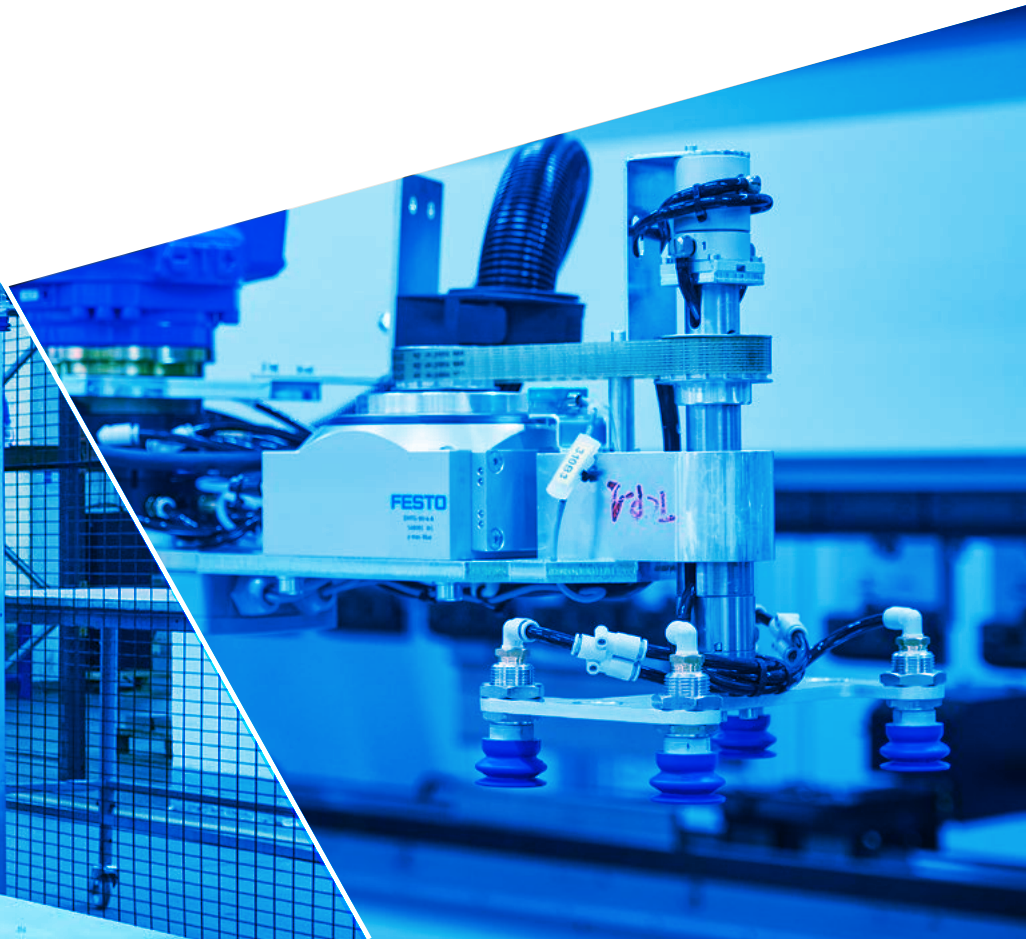
Active sales work as well as high-quality and good cooperation in prior years have opened up new collaboration opportunities with technology partners to undertake more complex and intensive projects. Owing to previous positive experience, partnership continued in the form of new contracts to provide electrification to port cranes as well with providing several new solutions for renewable energy projects.

As for development activities, various new product solutions were simultaneously developed and implemented in manufacturing. The company also focused on increasing the efficiency of various processes and implementing lean production principles. The company plans to continue to support employee development and for that purpose various training sessions were organized to increase sales and management competencies. Addition, the capacity of engineers in planning and design was enhanced. AS Harju Elekter Elektrotehnika successfully passed ISO 9001, ISO 14001 and ISO 45001 quality certificate audits.

In 2021, AS Harju Elekter Elektrotehnika will continue to fulfil the orders of its key customers and will focus on finding new business opportunities, cost savings and profitability growth. To attain its goals, the company contributes more to improving efficiency that is supported by the transition to the business area based structure. AS Harju Elekter Elektrotehnika will continue to work closely with the other Group companies in local and foreign markets.

AS HARJU ELEKTER TELETEHNIKA PURCHASED A ROBOT

In 2020, AS Harju Elekter Teletehnika continued to increase its efficiency through automation. The most significant investments included robot bending equipment for sheet metal and new ERP software that was implemented towards the end of the financial year.



AS Harju Elekter Teletehnika

AS Harju Elekter Teletehnika is the fully-owned subsidiary of AS Harju Elekter whose main activity is production of sheet metal products and solutions for the energy and electrical engineering sectors, and provision of subcontracting works to other industrial companies.

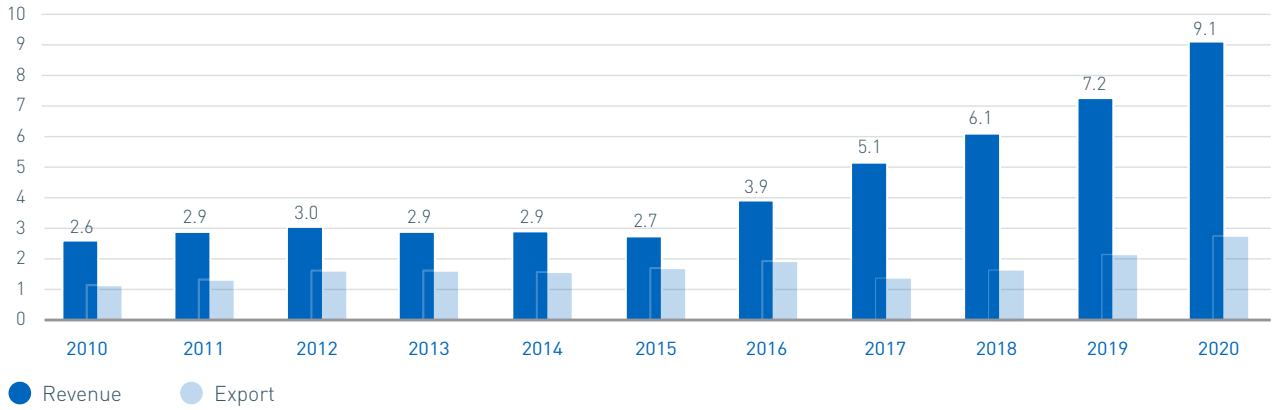
In addition to the core activity, the company also has its own product family consisting of data network cabinets and components that are developed, marketed and produced for the customers in the telecommunications sector in Estonia and elsewhere in Europe. AS Harju Elekter Teletehnika´s with its production capacity in its 9,000 m² factory in Keila is one of the largest manufacturers of thin sheet metal products in the area.

As at the end of 2020, the company employed 91 (2019: 86) people and the average number of employees was 89 (2019: 101) in 2020. About 80% of the employees are directly engaged in the manufacturing process and 20% are office workers.

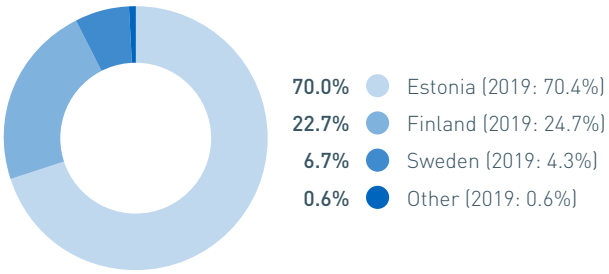
The year 2020 turned out to be successful for AS Harju Elekter Teletehnika, characterized by strong efficiency growth that is primarily related to internal structural changes and investments made in prior years. In the financial year, revenue increased by 26% (2019: 18%) as compared to the previous year and was 9.1 (2019: 7.2) million euros. Exports contributed 30.0% (2019: 29.6%)

Revenue

mln euros



Sales by markets



to revenue. In terms of product groups, sheet metal products demonstrated the strongest growth. In addition to subcontracting products to the Group companies, the largest export articles were telecommunication products and their components for data networks. The key export markets were Finland and Sweden.

The company's internal and external customers contributed to higher demand without having major impact from the crisis that impacted the world economy. Since customer demand continued to be cyclical throughout the year, additional subcontracting partners and temporary employees were used from one period to the next in order to provide necessary production volumes to the customers. In addition, the turbulent global economic environment created better opportunities to purchase raw materials with more favorable conditions than in prior periods.

In 2020, the company continued to increase efficiency and automation. The largest investments included the robot bending equipment for sheet metal and the new ERP software that was implemented at the end of the financial year. In addition to the investments the company continued to contribute to employee development by providing various professional training courses.

The focus for 2021 will be on increasing sales volumes both in respect of the intra-group as well to external customers. To enhance growth, the goal is to continue making investments in technology, primarily in sheet metal processing equipment and to finalize the launch of the new ERP software which will enable us to increase the current digitalization both inside the company as well as in the entire supply chain. The company will also continue with the development of its own products. In the long run, all of the company's activities are driven by the desire to become the first choice for customers both in terms of in-house and outsourced products/services, and to support customers in their goals.

IN 2020, HARJU ELEKTER SUPPLIED MORE THAN 3,000 ELECTRIC CAR CHARGERS

One of the largest projects in 2020 was the supply of electric car chargers for a community parking garage with 400 parking spaces in the Puustellinkallio residential area. At Harju Elekter's Ulvila plant, nearly 200 car chargers with different capacities were installed for the three-story car park.

Satmatic Oy

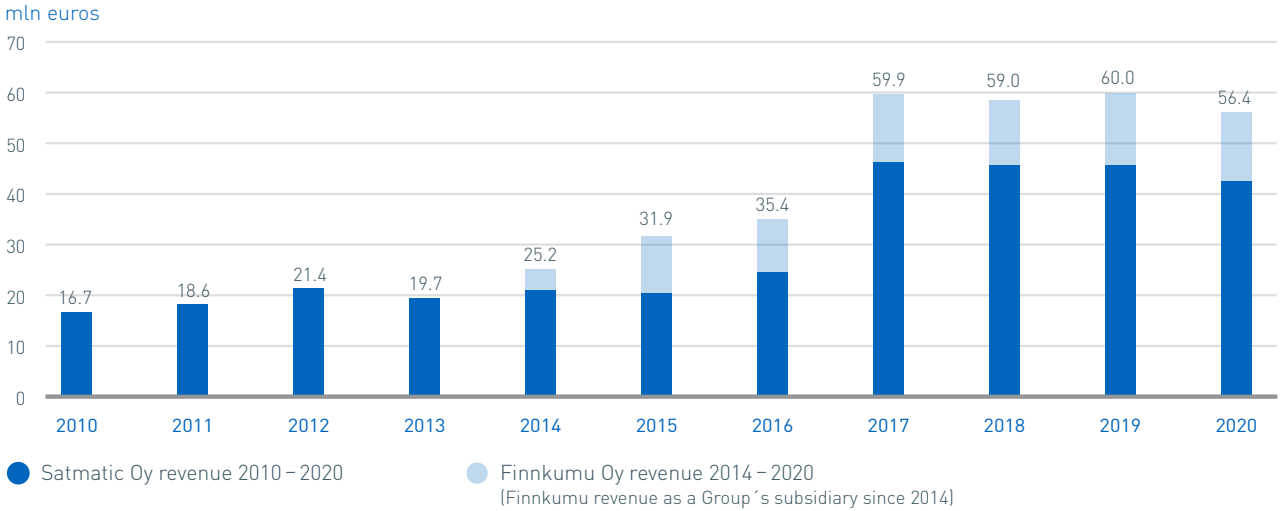
In the financial year, the key changes made to harmonization of the Group's structure were related to Satmatic Oy, the wholly-owned subsidiary of AS Harju Elekter located in Finland and its subsidiaries. At 31 December 2020, Satmatic Oy (headquartered in Ulvila, Finland with factories in Ulvila and Kerava) and Finnkumu Oy (with production units in Kurikka) that had been under joint management since 2019 were merged with Kiinteistöt Oy Ulvila Sammontie 9. The last stage of the structural change that occurred in 2020 involved the partial division of Satmatic Oy at 31 December 2020 and the transfer of the real estate properties in Ulvila and Kerava to Harju Elekter Kiinteistöt Oy. By today, Satmatic Oy has become one of the leading industrial automation and electricity distribution and transmission equipment manufacturers in Finland that operates under the new business name of Harju Elekter Oy since January 2021.

At 31 December 2020, the combined revenue of the merged companies Satmatic Oy and Finnkumu Oy for the year 2020 amounted to 56.4 (2019: 60.0) million euros, decreasing by 6% as compared to the previous year. At the end of the reporting period, Satmatic Oy employed 105 (2019: 103) people, while the average number of employees in the reporting period was 109 (2019: 103).

The company's products are targeted at the manufacturing, energy generation and distribution sectors and infrastructure projects, covering the needs of customers from the development of products, programs and projects to provision of maintenance services. The product range is wide, and the product portfolio includes various products and solutions of up to 20 kV. A major share of Satmatic Oy's products and solutions are sold outside Finland, reaching customers mostly through producers and exporters. At the same time, Satmatic Oy is also an importer and distributor of the products of the Estonian subsidiaries in Finland. The mediated sales of the products imported from Estonia to the Finnish market totalled 17.0 (2019: 17.5) million euros.

The financial year was challenging for the companies of the Finnish Production segment: there were setbacks in the volume of orders and the constantly changing circumstances which complicated planning for production. The price

Revenue



pressure of suppliers in terms of materials and components and competition in major tenders increased. Still, the company managed to maintain strong production volumes and the reduction in the orders of the energy network was offset by stable results in other business areas. The factories' ability to provide production and engineering services continues to be high. Last year, the company developed various electricity, control and power automated equipment and solutions for pulp and paper industries, but also for rock wool, steel and food industries and offshore, shipbuilding, mines and power stations.

The former production unit of Finnkumu Oy in Kurikka with production and office premises of 2500 m^2 is primarily focused on manufacturing compact secondary substations and cable distribution cabinets. It designs, manufactures and supplies equipment for the Finnish power distribution sector. There were no significant changes in the company's customer base or products during the year, and despite uncertainty in the global economy, the operations ran smoothly at Kurikka unit throughout the year. The high-quality substations manufactured at Kurikka unit continue to have a good reputation in Finland. During its years of operation, the company has developed a well-established loyal customer base, whose orders are processed by a small sales team. By working together with customers, the company improves its products and customizes them for specific projects. Similarly to previous years, the company develops its own products, and also collaborates with the other Group companies.

Still, the company managed to maintain strong production volumes and the reduction in the orders of the energy network was offset by stable results in other business areas. The factories' ability to provide production and engineering services continues to be high

In the future, the activities of Satmatic Oy will continue to be based on contractual manufacturing, project services and supplies to the electricity distribution sector, manufacturing sector and infrastructure. All operations are continuously being developed, using new solutions that increase automation. Somewhat more intense competition can undoubtedly be expected. One of the goals for 2021 is even more efficient co-operation of the units at the merged companies, for the purpose of which the processes will be harmonized with Kurikka production unit and preparations will be made for the potential use of new financial software and certification of Kurikka production unit to comply with ISO 9001 and ISO 14001. Separate focus will be laid on increasing flexibility in order to cope with the economic changes as well as those related to the volumes of customer orders. Daily cooperation with the other Group companies and preparations for the fulfilment of the framework contracts of electricity network companies together with AS Harju Elekter Elektrotehnika will continue.

HARJU ELEKTER WILL INVEST UP TO 6 MILLION EUROS TO EXPAND THE LITHUANIAN SUBSIDIARY'S FACTORY

The cornerstone of the stage four extensions of the Harju Elekter UAB plant, the Lithuanian subsidiary of Harju Elekter, was laid in Panevežys on 6 August 2020. The construction work will be completed in the second quarter of 2021. Once the construction work has been completed, the office and production premises of the Lithuanian subsidiary will increase from 8,765 m² to 16,761 m². The investments made in the expansion of the plant will lead to a doubling of revenue for Harju Elekter UAB.

Harju Elekter UAB

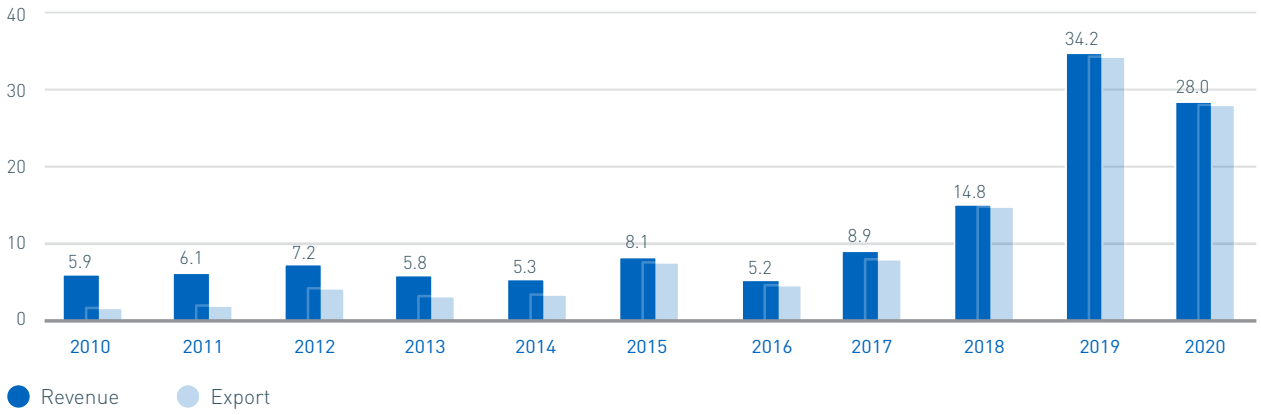
Harju Elekter UAB, the wholly-owned Lithuanian subsidiary of AS Harju Elekter, has been a part of the Group since 2003.

The company focuses on the development of different products and solutions and contract manufacturing for system integrators in the marine and industrial sector, providing them with tailor-made power distribution and multidrive systems and solutions. The company's head office is in Panevežys, Lithuania. As at 31 December, the company employed 223 (2019: 251) people and the average number of employees during the financial year was 235 (2019: 207).

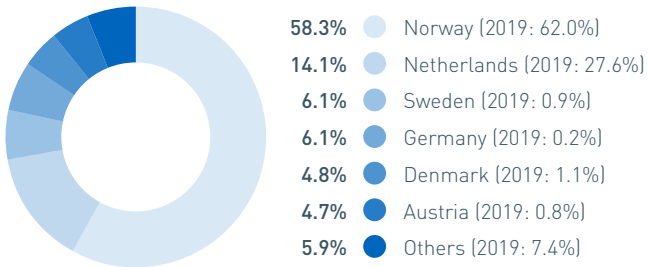
In the financial year, the company's revenue was 28.0 (2019: 34.2) million euros. After the sharp increase in 2019 (+131%), revenue declined by 18% as compared to the previous year. The revenue decline was primarily related to the suspension of orders due to volatile economic conditions or their amendment by customers. Almost all of the products of Harju Elekter UAB are exported from the factory located in Panevežys to various countries around the world, the most

Revenue

mln euros



Sales by markets



important ones of which in the financial year were Norway, the Netherlands, Sweden and Germany.

Most of the revenue was generated from the development, production and sales of project-based products and services to the marine and shipping industries. Various frequency converter systems and electrical and control panels for the marine sector were the largest contributors in the product range. The supply of quality products to the marine sector is very strongly linked to the company's engineering capabilities, as the orders mainly concern project and customer-specific solutions that are not found in standard catalogues.

Most of the revenue was generated from the development, production and sales of project-based products and services to the marine and shipping industries

In addition to active sales work and expansion of manufacturing, the company places great value on increasing quality and enhancing the efficiency of contract-based manufacturing. In the financial year, the company successfully passed the certification AQAP 2110: 2016 carried out by Bureau Veritas and this will enable Harju Elekter UAB to provide extremely high-quality products to navy vessels in the future. Good cooperation with long-term customers continued and the company actively searched for ways to participate in new tenders.

An increasing number of daily work and activities were directed to e-channels – various refresher training courses were organized for employees and due to travel restrictions, sales work and meetings were carried out online. Also, the company started its transition to the ERP software that will be taken into use in the summer of 2021.

The key goals for 2021 include the completion and utilization of the fourth stage of the extension of the production and office building and growth of the company's business volumes.

HARJU ELEKTER PARTICIPATES IN UPGRADING THE STOCKHOLM SLUSSEN METRO STATION

SEBAB AB (now Harju Elekter AB), the Swedish subsidiary of the Harju Elekter Group, entered into an energy project contract with the administrative agency, Region Stockholm. This agency is responsible for public transport, and the contract involves extensive renovations of the substation at the Slussen underground stop in Stockholm. The project, which will last for a year, started in September and the approximate value of the contract is 3.5 million euros. The renovations of the underground station are part of the comprehensive reconstruction of the Slussen district in Stockholm, which includes the construction of new structures and the transformation of transport by 2025.

Harju Elekter AB

In the financial year, several changes took place at the Group's Swedish subsidiaries. For the purpose of simplifying and harmonizing the management structure of the Group companies, the Group's wholly- owned subsidiaries SEBAB AB and Grytek AB in Sweden were merged.

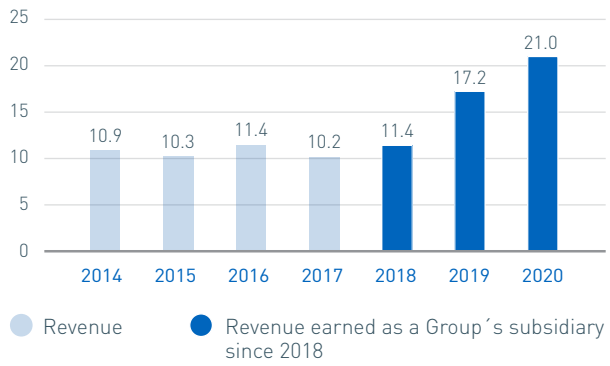
After the merger, the business name of the legal successor of SEBAB AB became Harju Elekter AB for the goal of aligning the business names with the trademark that is used on a daily basis.

The purpose of the structural changes was to simplify and harmonize the management structure of the Group companies. Since 1 January 2020, SEBAB AB and Grytek AB are managed by the new joint CEO. In addition to the merger of the companies and the name change, the work principles of various units have been harmonized to ensure that the company bearing the name of Harju Elekter AB will be efficient and oriented towards growth in the Swedish market.

Harju Elekter AB specializes in energy production and development of medium- and low-voltage solutions for power generation and distribution industries, as well as their delivery to the infrastructure, construction and renewable energy sectors. The company's head office together with the manufacturing, sales and service unit and warehouse is located in Malmö. The company also has branch offices offering engineering solutions in Stockholm and Borlänge, supported by regional units in Borås, Finspång, Västerås and Luleå. As at December 31, the company employed 68 (2019: 59) people and an average of 62 (2019: 63) people worked there in the reporting period.

Revenue*

mln euros



* On the graph the revenue for the previous periods of the merged Swedish entiteis SEBAB AB and Grytek AB is summarized

As a whole the year 2020 turned out to be successful for Harju Elekter AB, the revenue of the combined companies increased by 22% and totalled 21.0 (2019: 17.2) million euros. The company's home market is Sweden that contributed 96% (2019: 100%) to revenue in the financial year.

The financial year was successful in terms of tenders. In January, the company won three tenders for the energy distribution sector's orders, in September the tender of the substations of the Slussen subway in Sweden and at the beginning of 2021 in cooperation with AS Harju Elekter Elektrotehnika, it won the tender of Sweden's largest distribution network company E.ON Energidistribution AB for almost 1,500 substations.

The largest investment concerned the transition to the new joint ERP software to increase the level of digitalization and ensure fast exchange of data and information in the upgraded structure. The new software will be taken into use at the end of the 1st quarter of 2021.

In summary, the year of Harju Elekter AB can be described as very volatile. In 2021, the upgrading and harmonization of intra-company structures and work principles will continue in order to focus on the growth of business volumes and efficiency in the future. The company will focus on various standards and certifications and enhancement of intra-Group cooperation in the Swedish market.

Real estate

The activities of the Real estate segment include development, maintenance, leasing of industrial real estate properties, services related to the maintenance of real estate properties and production capacities and intermediation of services. Real estate is classified as a separate segment because the volume of assets is greater than 10% of the volume of the Group's assets. This segment is run by the real estate department of AS Harju Elekter. As at the end of the reporting period, the Real estate segment employed 7 (2019: 7) people.

The Group owns registered immovables in its industrial parks in Estonia (Keila, Allika and Haapsalu), Finland (Ulvila, Kerava, Kurikka) and Lithuania (Panevežys), totalling 69 ha with 106.9 thousand m^2 of production, office and warehouse premises. The premises in Keila, Allika and Haapsalu industrial parks are leased out to external customers.

In the financial year, the revenue of the Real estate segment totalled 5.0 (2019: 4.7) million euros of which external sales was 3.3 (2019: 3.3) million euros, and contributed 2.2% (2019: 2.3%) to the consolidated revenue. Lease income contributed 87% (2019: 83%) and utility and other services 13% (2019: 17%) to the revenue of the Real estate segment.

The key event in the financial year was the completion of the building Laohotell 2 with the square area of almost 4,000 m^2 in Allika Industrial Park that was completely rented out to tenants after its completion. In addition, two more registered immovables with the total square area of 14.6 ha were acquired for the purpose of construction of solar power parks as well as potential real estate development projects.

In 2021, real estate developments will continue and due to the interest of tenants, it is planned to start construction of a new building Laohotell 3 that follows the concept of current buildings in the warehouse and production plant complex.

Other activities

Other activities encompass all other non-segmented operating areas where each area is not large enough to form a separate segment. In the Group, such activities are, for example, management of financial investments, retail and project sale of electrical goods and electricity installation works for shipbuilding. From the Groups' point of view, other activities are less important and none of them forms a separate segment for the purpose of reporting.

In the financial year, external non-segmented revenue totalled 17.8 (2019: 15.3) million euros, growing by 16.3% in a year and sales to other operating segments were 0.1 (2019: 0.6) million euros. Other activities contributed 12.2% (2019: 10.6%) to the consolidated revenue of the Group.

AS Harju Elekter

AS Harju Elekter is the Group's Parent company. The company's activities are divided into two parts - Real estate and other activities. In addition to real estate activities, the Parent company coordinates collaboration between the Group companies, oversees strategic management of its subsidiaries through management boards and supervisory boards, manages the Group's cash flows, is involved in investment planning, corporate governance as well as business development, product development, and the provision of different services such as personnel, information technology and communications services. Other operating activities of the Parent company accounted for 0.3% (2019: 0.4%) of the consolidated revenue. As at the end of the reporting period, 16 (2019: 18) people worked at the Parent company (other than in the real estate department).

Telesilta Oy

Telesilta Oy, the wholly-owned subsidiary of AS Harju Elekter, is an electrical works company founded in 1978 in Uusikaupunki, Finland, specializing in the design and manufacturing, installation, commissioning and maintenance of marine electrical systems for the Finnish market. The company offers customized solutions to its customers, with a marginal share of its own products. As at 31 December 2020, the company employed 30 (2019: 30) people and the average number of employees in the reporting period was 29 (2019: 30). Telesilta Oy has been a member of the Group since 2017.

In the financial year, the company's revenue was 4.2 (2019: 3.0) million euros, which increased by 40% as compared to the previous year. Strong sales growth is related to the extremely low reference base in 2019, caused by the completion of several large vessel construction projects in the prior year. In 2020, the company started to execute the contract of the electrical works for the vessels to be built for the Finnish Border Guard. The year was characterized by volatile conditions and suspension or postponement of several large vessel construction projects. The company participated actively in different tenders and focused on upgrading its internal processes.

The goals of Telesilta Oy for 2021 include active sales work and participation in tenders, increasing the level of digitalization and preparations for transition to the new ERP system, and expansion of capacity of electrical works units in the regions of Turku and Rauma.

Energo Veritas OÜ

Energo Veritas OÜ focuses on project-based sales and trading activities. The company has sales offices and stores in Tallinn and Tartu that sell the Group's products, the products of its

associated companies and other goods required for electrical installation work to smaller and medium-sized electrical installation companies and retail customers. During the intra-company restructuring that occurred in the financial year, the office was closed in Keila and customer service was transferred to the office in Tallinn. As at 31 December 2020, the company employed 19 (2019: 27) people and the average number of employees in the reporting period was 20 (2019: 25). Energo Veritas OÜ has been part of the Group since 2017 and AS Harju Elekter has a holding of 80.52% in the company.

In 2020, the revenue of Energo Veritas OÜ totalled 8.7 (2019: 8.3) million euros. The new Tallinn sales office and central warehouse contributed significantly to sales growth. Due to the complicated economic environment, the revenue in the reporting period was lower than budgeted and the procurements won in previous periods were in the completion stage (the most significant ones being the procurement of transformers for Elektrilevi OÜ and the Last Mile project). Despite everything, due to the company's strong sales work the revenue growth was 5.4% (2019: 19.6%) while the sales margins were under strong pressure throughout the year.

In summary, Energo Veritas OÜ managed to increase its market share and find new customers under complicated conditions and amidst organizational changes. The focus in 2021 will be even more active sales work and participation in procurements, increasing of the company's efficiency and upgrading of the product range.

Harju Elekter Services AB

Harju Elekter AB that was founded in 2010, was renamed as Harju Elekter Services AB during the financial year. This is a sales organization for distribution of the Group's medium-voltage and substation products in Sweden. In 2014 - 2017, the company's operations were temporarily suspended. In February 2017, AS Harju Elekter acquired a 10% minority holding in the company, increasing its shareholding to 100%, and in the autumn of the same year the subsidiary resumed active business. The revenue of Harju Elekter Services AB in 2020 was 4.9 (2019: 4.1) million euros, up 20% (2019: 52%) due to successful electrical equipment solutions offered to customers in the Swedish market in cooperation with the other Group companies. During the reporting period, the company had 1 (2019: 1) employee.

Investments, innovation and development activity

Investments

Harju Elekter has consistently invested in development of various business areas and taken care that sufficient renewable investments help ensure sustainable operations of production processes, technological non-current assets, business real estate and IT solutions that support business operations. The Group will continue to invest in financial assets for the purpose of diversification of its business. The long-term strategic goal of Harju Elekter is to contribute to the areas that support the Group's activities with the distribution, storage and production applications of renewable energy and green electricity.

In 2020, the Group invested a total of 8.1 (2019: 5.5) million euros in non-current assets (incl. technology and real estate investments). Investments in various asset groups were by country as follows: 4.0 million euros in Estonia; 0.3 million euros in Finland; 0.1 million euros in Sweden and 3.7 million euros in Lithuania.

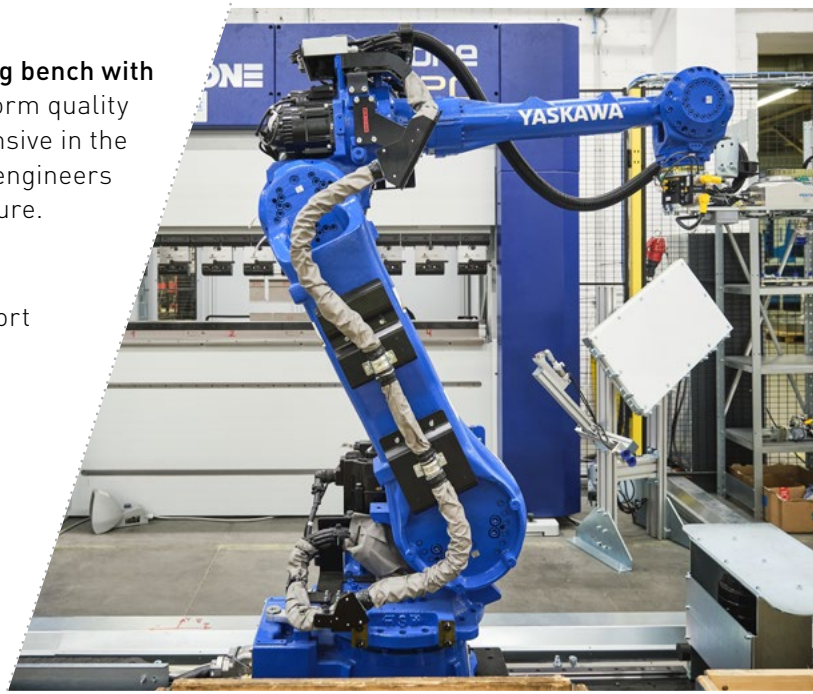
Investment activities in 2020,

1. Non-current assets used in manufacturing, and IT solutions

AS Harju Elekter Teletehnika purchased a bending bench with a robot claw. The industrial robot will ensure uniform quality of sheet metal products, it will be less labour intensive in the long run and while using robotization, will enable engineers to obtain valuable experience and skills for the future.

AS Harju Elekter Teletehnika implemented and launched work with the new ERP system, to support and enhance business processes.

Satmatic Oy purchased molds for the project Electra involving a new electric vehicle charging station. Miscellaneous charging equipment with the new and modern design for electric vehicles and electric heaters of passenger cars with smart software enables the company to continue providing competitive solutions for the Finnish market and enter the Swedish market where this segment is gaining momentum.



Harju Elekter UAB purchased a bending tool for sheet metal, including warehousing equipment. The investment solidifies the Group's ability to process sheet metal and its operability in the Lithuanian subsidiary, enabling to implement last minute changes with its flexibility that is difficult to achieve with subcontracting.

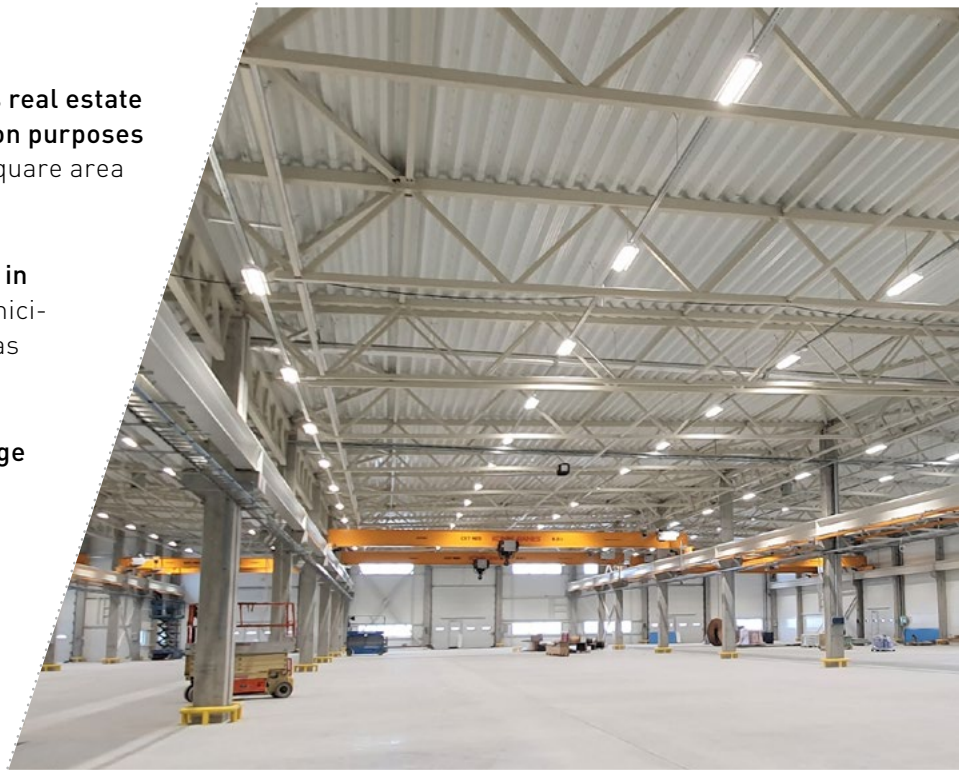
Harju Elekter UAB purchased a test-transformer, that enables to quickly test operability of power electronics at real voltages and provide this service also outside the Group.

2. Real estate

The company acquired miscellaneous real estate properties for business and production purposes in Estonia and Finland with the total square area of up to 155,610 m^2 .

Laohotell 2 (3,877 m^2) was completed in Allika Industrial Park, Saue rural municipality that was completely leased out as at the year-end.

The company launched the fourth stage of the factory extension (7,996 m^2) of the Lithuanian subsidiary Harju Elekter UAB to be completed in the second quarter of 2021.



3. Renewable energy products

In the financial year, six separate solar power commercial stations were either built or acquired with the total capacity of 397 kW.

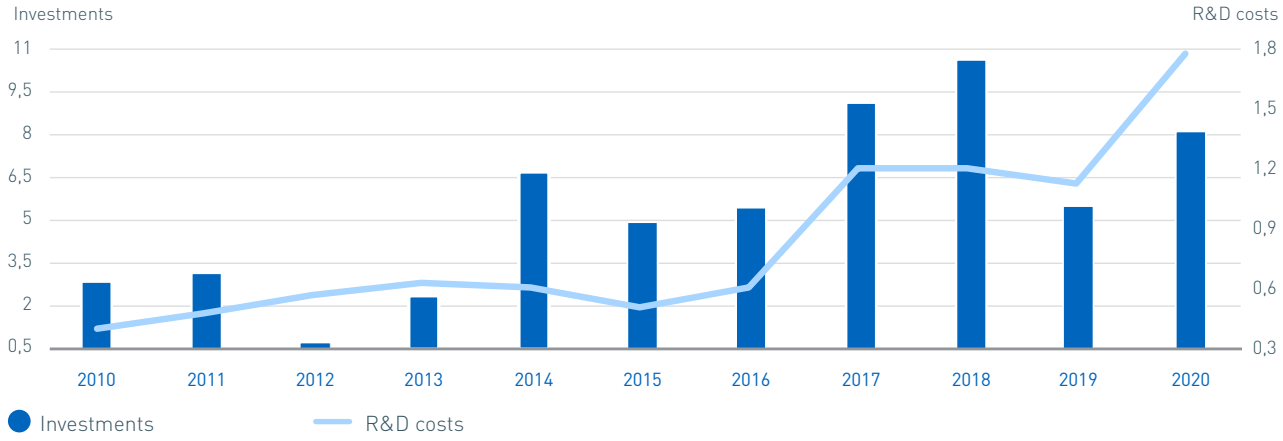
Development activities and innovation

Harju Elekter wishes to be the first choice for its customers in supporting their business goals. For this purpose, the company works intermittently to develop products, processes, supply chain and information technology solutions.

The Group's area of activity is impacted by the global objectives to reduce global warming and the green revolution that has had a strong start, creating both opportunities as well as requirements for learning, developing and testing. By meeting the expectations of the markets and customers, the Group has set an ambitious goal of reducing its own ecological footprint and that of its customers by reducing use of materials and energy consumption both in its processes as well as products. The Group is convinced that a cleaner and more economical future will be propelled by innovative electrotechnical products and digitalization of processes. Harju Elekter shares its world view with the stakeholders which on the one hand inspires the Group's employees and on the other hand sends out a clear message to the shareholders of Harju Elekter about the Group's engineering and ecological sustainability.

Investment and development costs

mln euros



The Group fosters intra-group innovative product development with the innovation contest which took place for the 10th time in 2020. Of the nine substantial works submitted three received recognition: 1st prize "Special Design Substations – Their Design and Construction" of AS Harju Elekter Elektrotehnika; 2nd prize "Kongsberg Maritime K-Power Drive Project" of Harju Elekter UAB and 3rd prize "Future Chargers Electra" of Satmatic Oy.

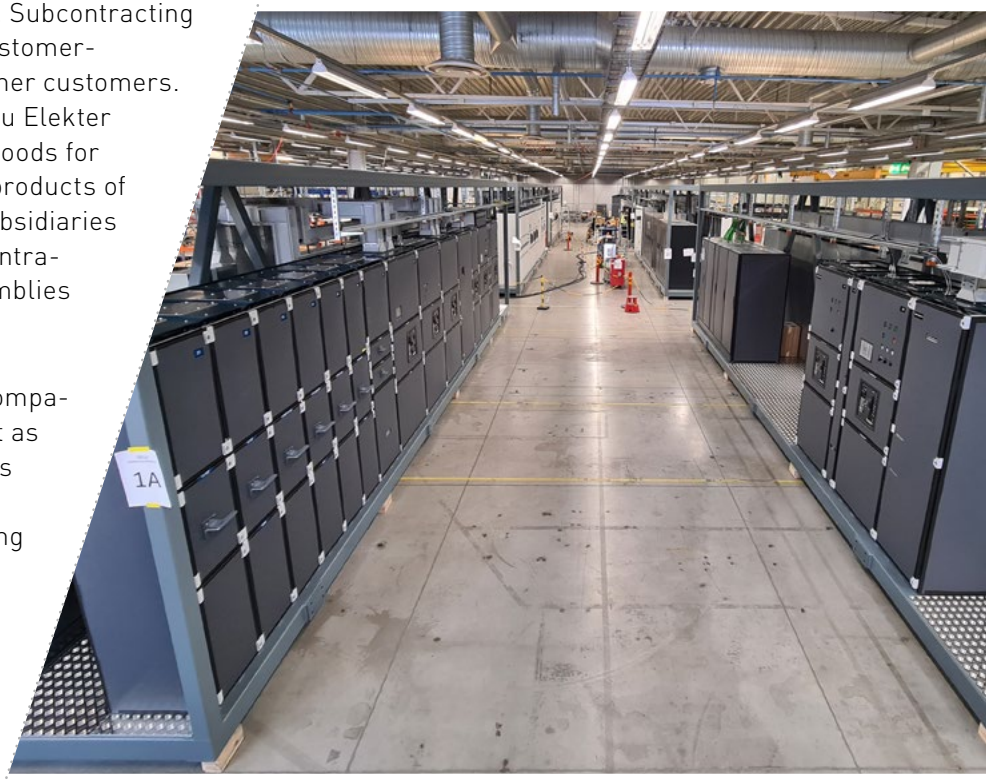
Development projects in 2020

In the financial year, focus was laid on factory produced e-house (HEJA) and SKID type applications throughout the Group. For the latter, a model was developed for designing and calculating mechanical statistics. In addition, appropriate process developments were created for manufacturing.

In Estonia, development activities were underway at AS Harju Elekter Elektrotehnika to provide services for the substation procurement project of Elektrilevi OÜ. Likewise, the family of Last Mile fiber optic products was developed for Elektrilevi OÜ that involves production of distribution cabinets as a special solution for the construction of the region's fast Internet network as well as for connection with the termination point. The company continued with the development of the mechanical solution HECON with low voltage configuration. The low-voltage electrical box solution was tested in accordance with the standards, enabling to prepare miscellaneous engine checking centers as well as designing and manufacturing industrial automated equipment and regular low voltage electricity distribution boxes.

At AS Harju Elekter Teletehnika, partnership solutions for sauna technology products were developed in cooperation with Saunum Group AS. Subcontracting was also used to develop various customer-tailored sheet metal products for other customers. In addition, the engineers of AS Harju Elekter Teletehnika developed mechanical goods for substation and telecommunication products of the Group's Finnish and Estonian subsidiaries as a result of which the supplies of intra-group sheet metal details and assemblies increased considerably.

The Group's Estonian and Finnish companies undertook various development as well as prototyping works. Type tests in compliance with the standard IEC 62271-202 – Part 202 for the servicing of procurements in Finland were conducted for Elenia Oy (1st stage supplies between 2021 and 2023) and Caruna Oy (1st stage supplies between 2021 and 2023) at Łukasiewicz Research Network - Institute of Electrical Engineering lab in Poland. The bid and implementation stage of procurements was a good



cooperation project for the Estonian and Finnish engineers. In addition, Satmatic Oy is in the middle of the development project concerning electric vehicle charging stations for the Finnish and Swedish markets.

In the financial year, the key development project of Harju Elekter UAB was Kongsberg Maritime K-Power Drive which involved an innovative engineering solution for shipbuilding companies. K-Power Drive is a compact eco-friendly system that uses liquid cooling and has capacity of up to 5,700 kW. It has been received well by customers and by today, has been supplied to 15 vessels and off-shore systems.

The IT-solutions that have previously been implemented enabled the Group companies of Harju Elekter to smoothly launch remote work during the state of emergency in spring

The IT-solutions that have previously been implemented enabled the Group companies of Harju Elekter to smoothly launch remote work during the state of emergency in spring. During the year, systems and computer networks were further optimized to improve availability of resources and services regardless of the place of work. The entire Estonian server park of the companies of Harju Elekter was moved to a service provider, ensuring sustainable and flexible resource for IT services.

During the year, the company passed the first stage of data warehouse and reporting project for business information management and a technical configuration platform for products launched to simplify provision of technical solutions for customers. In addition to several activities related to safeguarding and developing cyber security, the defense mechanisms of internal networks were standardized and the monitoring capability of information systems was enhanced.

Quality in products and customer relationships

Quality management

Quality system

High-quality products, seamless cooperation and understanding the customer form the basis for strong long-term customer relationships at the Group. In addition, the company's credibility arising from sustainable operations and a long history are also important from the customer's point of view.

According to the Group, a product is of high-quality if:

- The product is safe, meets the technical requirements set by customers and has no visual imperfections;
- The product exceeds customer expectations and creates additional value to the customer;
- The processes related to the production of the product are carried out in accordance with the applicable legal and regulatory requirements.

In quality management, the Group follows seven important principles:

- **Customer focus** – the key focus is placed on fulfilment of customer requests in order to increase customer satisfaction.
- **Leadership** – the manager at each level is responsible for the quality and occupational safety at his/her stage of work. He/she also promotes continuous improvement of processes and participates in the attainment of the organization's goals.
- **Involvement of people** – for the efficient and effective management of the Group, people at all levels get involved, and their motivation and training contributes to the attainment of the company's goals. In addition, employees are encouraged to take responsibility for the quality of their work.
- **Process-centered approach** – the Group manages activities as interconnected processes that function as a coherent system to attain quality-related goals.
- **Improvement** – for exceeding customer expectations and ensuring their satisfaction, the Group lays importance on continuous improvement of its processes.
- **Making evidence-based decisions** – The Group makes decisions on the basis of data, analysis and evaluation of information.
- **Relationship management** – the Group considers it important to manage its relations with relevant stakeholders in order to attain success. Emphasis is placed on the development of supplies and maintenance of good communication.

The existing quality management and environmental management standards ISO 9001 and ISO 14001 have been applied in most production companies of the Group (see the table "Management system certificates"). Finnkumu Oy (from 31 December 2020 merged with Satmatic Oy) is preparing for ISO 9001 and ISO 14001 certification that is planned for 2021. AS Harju Elekter Elektrotehnika, Telesilta Oy and Harju Elekter UAB have a certified occupational health and safety management system ISO 45001.

Audits are also carried out at the subsidiaries by product certification companies and vendors of licensed products. Satmatic Oy has a valid UL certificate, which is a prerequisite for delivering the company's products to the US market. In addition, Satmatic Oy, Harju Elekter UAB and AS Harju Elekter Elektrotehnika have obtained the SIVACON certificate granted by Siemens. Harju Elekter UAB also has a MSA (Manufacturing Survey Arrangements) certificate granted by DNV GL and in addition, the organization has been certified by Logstrop.

AS Harju Elekter Teletehnika is a member of the Estonian Association for Quality to help increase the awareness of the importance of quality issues and training of employees.

The existing quality management and environmental management standards ISO 9001 and ISO 14001 have been applied in most production companies of the Group

	ISO 9001:2015	ISO 14001: 2015	ISO 45001: 2018
AS Harju Elekter Elektrotehnika	•	•	•
AS Harju Elekter Teletehnika	•	•	
Energo Veritas OÜ	•	•	
Satmatic Oy	•	•	
Telesilta Oy	•	•	•
Harju Elekter UAB	•	•	•
Harju Elekter AB	•	•	

The security of supply varies by company, depending on the nature of the work performed, customer expectations and methodology, and was in the range of 78 - 100% for all Group companies in the financial year. The average indicator at the Group was 90% (2019: 92%).

Quality-related issues are dealt with intrinsically as part of everyday management, sales, development, logistics and real estate management activities. The Group companies consider it important to ensure quality throughout the entire product cycle. A quality output is achieved due to proper supply chain planning, competent staff, creation of a feedback system and application of quality control at various stages in order to identify errors at as early a stage as possible.

Quality improvement

Quality improvement is a continuous process with inputs primarily received from four sources:

1. Customer feedback

The Group companies place great importance on collecting customer feedback and recommendations. The subsidiaries use different measures for collecting and analyzing customer feedback, including measurement of general customer satisfaction, recommendation willingness and the engineering-technical solutions' meeting expectations. The feedback received helps to map out the general attitude of customers towards the company. However, in order to identify the root causes of satisfaction and draw conclusions, customer reclamations and improvement proposals are analyzed.

In 2020, the number of justified customer complaints received from external customers was at the same level as in the previous year: the Group received an average of 2.9 customer complaints per every million euros of revenue. The number of total reclamations decreased at the Lithuanian and Finnish companies but increased at the Group's Estonian companies due to the complex nature of work and volume growth.

The Group pays great attention to customer complaints. Information has to reach the necessary employees with a minimum delay, so that corrective and preventive actions can immediately be implemented. All reclamations are recorded and analyzed. The subsidiaries use different methods for resolving reclamations (e.g. 8D, CAR), but they all have the same purpose – to liquidate the root cause in order to prevent problems from reoccurring.

The subsidiaries monitor and report the costs of disruptions that may arise from defective input materials, internal non-compliance or customers' reclamation to the management and supervisory boards. If costs exceed the target, a root cause analysis will be prepared, if necessary, and corrective measures are applied to reduce costs.

Due to the ongoing and close cooperation with current customers and adherence to customer promises, the average satisfaction score remained at the same level at the Group in 2020, i.e. 78 on a 100-point scale. The average indicator in the customer satisfaction survey was 80 points in the 2018 and 2019.

The Group companies measure customer feedback and satisfaction in different ways.

- AS Harju Elekter Elektrotehnika's customer satisfaction has been growing over the last years. In 2020, it was 67 (2019: 53) points. To achieve this, AS Harju Elekter Elektrotehnika pays special attention to change management and streamlining of internal processes. The goal is to be the first choice for our partners in energy management.

- AS Harju Elekter Teletehnika evaluates customer satisfaction on a quarterly basis. On a 5-point scale, TOP10 customers are asked for feedback on the product range and quality, delivery accuracy and speed, documentation accuracy, price level and availability of contact persons. In 2020, the average satisfaction score was 3.66 points.

- Of the Finnish subsidiaries, Satmatic Oy asks quarterly feedback from all customers regarding the price, quality, security of supply and overall cooperation, and in 2020 the score was 63% (2019: 87%). Telesilta Oy evaluates customer satisfaction based on security of supply and monitors the ratio of working hours spent on warranty works to total

project hours. In 2020, the satisfaction score was 94%. Finnkumu Oy also measures customer satisfaction on a quarterly basis and in 2020, it was 87% (2019: 90%). At the beginning of 2021, Satmatic Oy and Finnkumu Oy were merged to become one subsidiary Harju Elekter Oy and its customers are treated as being part of the same information space.

- Harju Elekter UAB uses OTIF to measure customer satisfaction, its value was 95% in 2020.

2. Relations with suppliers and quality of materials

Calling for tenders and measuring different alternatives is considered a good practice within the Group for obtaining appropriate purchase conditions. It is important to evaluate the risks related to suppliers and not to find oneself in a situation where a company uses a single supplier. Over the last couple of years, the first steps have been taken towards group-wide purchasing process. Harmonized contracts with suppliers support attainment of better delivery conditions, and ensure a smooth and transparent process.

For some of the materials or components, the final customer describes in detail which supplier's products to use. If the subsidiaries of the Group are free to choose a supplier, their decision is based on the reputation, record and reliability of the supplier, as well as the quality, supply conditions and the price. The price-quality ratio is more important than a low price. The main suppliers are usually more permanent and new ones are contacted only when there is a need or if a new product appears in the market.

The Group companies find it important to maintain good supplier partnerships and provide ongoing feedback. Visiting and auditing suppliers have become a good practice in order to be convinced of the reliability of suppliers and monitor organization of fulfilment of orders. In 2020, in conjunction with COVID-19, supplier audits and visits were postponed until the next period.

The Group has agreed on specific social and environmental criteria with 31% of its suppliers. Several subsidiaries of the Group arrange periodic evaluations of their suppliers. For example, AS Harju Elekter Elektrotehnika performs quarterly supplier evaluations. The key criteria are OTD (On-Time-Delivery) and quality. Feedback is given to suppliers and depending on the results, development opportunities are reviewed with suppliers. Harju Elekter UAB communicates with its suppliers on a daily basis, but supplier development forms are reviewed once a year in order to update information and resolve problems.

3. Share of defective products in the production process

For detection of errors, quality control measures are applied at various stages for the purpose of identifying them at as early a stage as possible. The detected deficiencies are included in statistics and discussed with the respective stakeholders. For more complex special orders, there are more defects than in serial production. In such cases, ensuring internal quality helps to ensure customer satisfaction and a smaller number of customer complaints.

4. Audits

4.1 External audits

Customers, supervision authorities, product certification companies and license issue companies carry out audits and checks at the Group companies on a regular basis. Besides product-specific issues, customer and supply chain audits increasingly focus on occupational safety, security, human rights and environmental management aspects of the production process. Due to the health crisis, several customer audits and

visits were postponed in 2020 or they were conducted using digital solutions. The audits were successful and within their framework, several recommendations were made to the companies to be used as a useful input for their improvements.

In 2020, Saunum Group AS that visited AS Harju Elekter Teletehnika outlined production capacity and the factory's good condition as the strengths of Teletehnika. AS Harju Elekter Elektrotehnika was audited by Siemens in Norway that praised the clean and well-organized manufacturing in its audit. They also appreciated the company's awareness of quality management systems and the analytical capability to outline both well-functioning processes as well as those that need improvement.

In Finland, AQ Trafotek Oy audited Satmatic Oy and was satisfied with stable product quality and security of supply. Elenia Oy audited Finnkumu Oy (since 31 December 2020 merged with Satmatic Oy) and praised their flexibility and customer responsiveness. In Sweden, Harju Elekter AB successfully passed the customer audit of E.ON Energidistribution AB.

In Lithuania, various customers visited Harju Elekter UAB (Siemens AS, GE Power, Thyssenkrupp AG) who also provided positive feedback. Siemens also conducted product certification through SIVACON.

4.2 Internal audits

Internal audits are also part of consistent improvements. The purpose of auditing is not to search for drawbacks but to find compliance and opportunities for improvement. During the audit, the auditor and the auditee are partners in the improvement process.

According to the plan, the Group's subsidiaries conduct internal audits and the team of internal auditors consists of employees with different backgrounds and competencies. Internal audit findings are also used as inputs for improving the organization: all findings and non-compliances are registered and an action plan is determined on their basis to liquidate shortcomings.

Quality enhancement activities in Group companies in the reporting year

Several Group companies implemented special projects in 2020 to improve internal processes related to increasing product quality and satisfaction with services. The processes were automated and digitalized, and the renewal of information systems was launched.

In Finland, Telesilta Oy conducted digitalization and automation of processes and arranged design software training sessions. Finnkumu Oy increased the square area of its yard and changed the size of the loading area so that loading would be quicker and safer. Factory doors were replaced so that unauthorized persons could not get access to the territory. In addition, production was rearranged on smaller lines as a result of which waste was reduced.

In Lithuania, Harju Elekter UAB implemented quality control for metal and copper details so as to identify deficiencies at the initial stage of the supply chain.

In Estonia, AS Harju Elekter Teletehnika started to use the new ERP system in December 2020. Energo Veritas OÜ optimized its central warehouse and laid emphasis on conducting inventory counts.

In the financial year, AS Harju Elekter Elektrotehnika enhanced its cooperation with Siemens as a result of which the project's manufacturing processes and principles were developed ranging from documentation to manufacturing and occupational safety. Major emphasis was placed on communication with suppliers and giving systematic feedback. In autumn 2020, a quality area was established with the mission to ensure continuity of the company's processes to ensure quality in line with customers' expectations at optimal expenditures. In addition, a 10-part ETO (Engineering to Order) training program for engineers was carried out, in the framework of which various standards, and principles for selecting and designing equipment were introduced.

About a dozen quality managers of the companies operating in Keila Industrial Park regularly participate in club meetings of the Estonian Association for Quality. The goal of the initiative specifically targeted at the companies in Keila Industrial Park is to acknowledge and promote quality management. They jointly discuss current topics concerning industrial companies and they try to find improvement projects.

Safety and environmental impact of finished products

As to other quality requirements it is always very important for the Group companies to ensure the safety of each finished product and reducing the environmental footprint. This is achieved by four stages of safety control:

- The basis for the safe use is created in the stage of product development, which leads to technical solutions that have to meet the requirements established by certain standards.
- Before new products enter a batch production phase or a major special execution phase, they have to pass standard tests to uncover possible risks or inspections by customers (each year several so-called Factory Acceptance Tests are carried out).
- Each employee must ensure production of high-quality products.
- The aim of the final inspection is to identify possible defects in products caused by human factors or possible faults in components, as a result of which we are able to meet customer expectations and reduce the company's environmental impact.

During the last twenty years there has been no record of cases where any of the finished products manufactured by the Group have caused a life-threatening situation because of a production fault.

The Group has concluded product liability insurance contracts to compensate for potential loss events.

Personnel

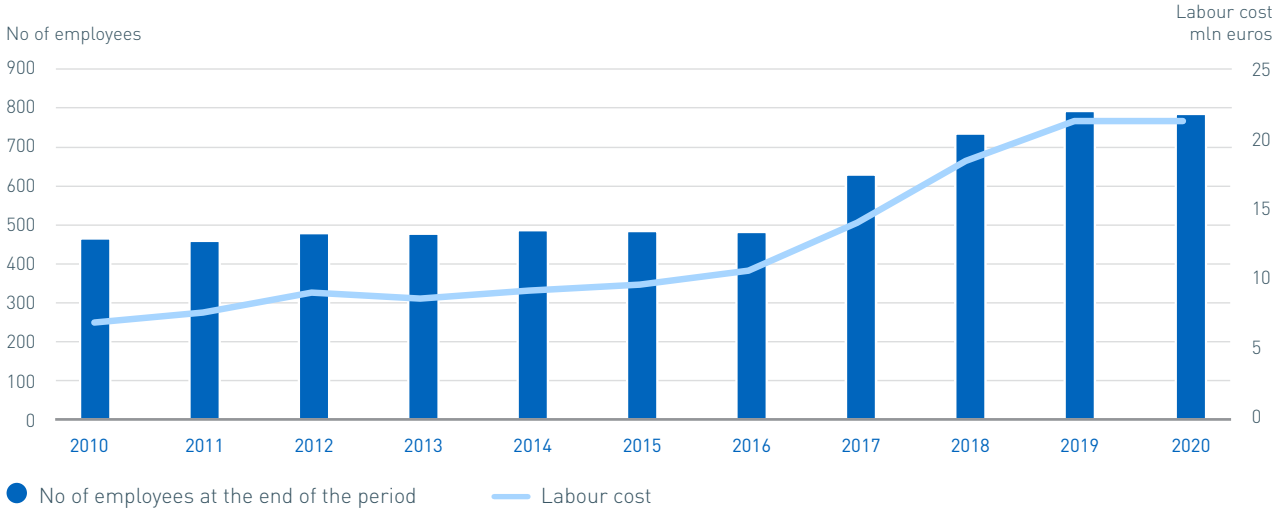
In 2020, the Group focused on mergin the companies and taking into use a joint trademark.

Therefore, human resources concentrated on maintaining the quality of management, including change management, harmonization of various management systems and ensuring of high-quality labour. Although the labour market situation put pressure on employee turnover, emphasis was placed on the topic of the employer brand both from the point of view of current and future employees. Therefore, the focus topics in the financial year included development of an employer value proposition and preparations for the single identity for the subsidiaries. In its activities, the management of AS Harju Elekter Elektrotehnika proceeded from the good governance principles previously agreed upon and started necessary activities to apply them. Going forward, it is important to apply a similar practice at the other Group companies. Scarcity of trained specialists and wage pressure continues to be relevant topics.

Preliminary labour market statistics by country in 2020

	Estonia	Finland	Lithuania	Sweden
Labour market participation	71.6%	66.3%	62.6%	73.6%
Employment rate	66.7%	71.6%	57.3%	67.2%
Unemployment rate	6.8%	7.8%	8.5%	8.3%

Personnel and labour costs



In 2020, in connection with the global health crisis, the top priority for Harju Elekter and for its companies in every country were the activities related to health promotion of employees and their occupational safety.

The production companies in Estonia replaced their staff and wage software and developed an intranet to simplify activities with the help of digitalization and improve communication. New digital tools in human resources prosessses in Finland were taken into use during the reporting year and they will be further advanced in 2021.

As at 31 December 2020, Harju Elekter employed 784 (2019: 791) people. The biggest change in the number of employees occurred in Lithuania, where 223 (2019: 251) people worked as at 31 December 2020. Almost half of the Group's employees – 356 (2019: 346) people – work in Estonia. The average age in the Group has remained around 40 for years and in the financial year it was 40.5 years. 30% of the Group's employees (235 people) have higher education, 52% (401 people) have secondary and secondary specialized education and 18% (135 people) have basic education. In the financial year, the average number of employees was 780 (2019: 778).

Overview of employment as at 31 December 2020

	Estonia	Finland	Lithuania	Sweden	Total	% of all employees
Total number of employees	**356**	**136**	**223**	**69**	**784**	
incl. administrative and engineering staff	121	58	62	27	**268**	34%
incl. workers	235	78	161	42	**516**	66%
incl. men	249	117	161	65	**592**	76%
incl. women	107	19	62	4	**192**	24%
incl. under the age of 30	54	19	79	21	**173**	22%
incl. 30-49 year-old	197	76	124	35	**432**	55%
incl. 50 year-old and older	105	41	20	13	**179**	23%
Number of top executives at Group companies	**10**	**4**	**1**	**3**	**18**	
incl. men	9	4	1	3	**17**	
incl. women	1	0	0	0	**1**	
New employees	30	9	24	21	**84**	
Employees left	10	6	58	1	**75**	
Average turnover	3%	4%	25%	2%	**10%**	

Employee salaries, bonuses and benefits over the 12-month period was 21.3 (2019: 21.4) million euros. In the financial year, the average annual pay per Group employee was 2,278 (2019: 2,296) euros.

The Group is characterized by strong and developed organizational culture. The large percentage of long-term employees also encourages new employees to follow suit and uphold traditions. 34% of the employees have worked in the Group for more than five years. Staff turnover

among the employees of the Group companies was 10% (2019: 17%) on average. The turnover by country was as follows: 3% (2019: 16%) in Estonia, 4% (2019: 12%) in Finland, 25% (2019: 29%) in Lithuania and 2% (2019: 5%) in Sweden.

The majority of the Group's employees work under employment contracts entered into for an unspecified term while there were three employment contracts for a specified term in the Group as at 31 December 2020. The share of men was 76% (2019: 76%) and that of women was 24% (2019: 24%) in the Group.

The share of the Group's employees working full-time was as follows: 99% in Estonia, 100% in Finland, 100% in Lithuania and 100% in Sweden. The Group companies did not extensively use subcontractors or agency workers.

New generation of employees

Harju Elekter Group wishes to be an attractive employer and the first choice in its field of activity entering the labour market as well as the preferred choice for those who already have prior work experience. Therefore, improving the employer's reputation holds an important place in the Group's human resources strategy for 2017-2022.

Harju Elekter Group wishes to be an attractive employer and the first choice in its field of activity entering the labour market as well as the preferred choice for those who already have prior work experience

Since the lack of qualified labour presents a serious risk to the development of the Group, constructive cooperation with universities and other research institutions continued in 2020 to ensure sufficient availability of employees with certain competencies. In Estonia, close cooperation with Tallinn University of Technology, TTK University of Applied Sciences, Tallinn Industrial Education Centre, Tallinn Polytechnic School and Tallinn Construction School continued. In cooperation with Tallinn University of Technology, up to four scholarships are annually granted to Bachelor's and Master's students of energy or mechanical engineering specializations. Over the years, 73 Bachelor's and Master's students have participated in the scholarship program and 14 of them have been employed by the Group following their studies. Currently, the Group employs six scholarship recipients.

The Finnish subsidiary Satmatic Oy has close ties with technical and professional higher education institutions of the region: Satakunna Apprenticeship Training Centre, Tampere University of Technology and Turku School of Economics.

In 2020, the Lithuanian subsidiary Harju Elekter UAB started a long-term cooperation project for improvement of the employees' electricity-related knowledge, hiring a lecturer from Visaginas Technology and Business Vocational Education and Training Centre to work at the development academy set up at the company.

The Group considers it important to participate in major labour and career fairs. In 2020, it participated in the student fair "The Key to the Future" at Tallinn University of Technology and regional fairs organized by the Unemployment Insurance Fund. The Group also closely collaborates with various schools to provide internship positions.

Employee satisfaction and motivation

At the Estonian companies of Harju Elekter (the Parent company, AS Harju Elekter Elektrotehnika, AS Harju Elekter Teletehnika and Energo Veritas OÜ), an employee satisfaction survey is carried out once every two years. In the organization's health survey conducted in spring 2019, 73% (2017: 72%) of the employees participated, the most active of whom were the employees of the Parent company.

When compared with the survey conducted in 2017, all scores showed improvement. The company's goals and further steps are considered important by employees and keeping track of financial results increases a sense of belonging and moving towards goals. Good relations with colleagues at different levels lay a foundation for open communication.

The survey gave an overview of the greatest development needs of the company. The results of the latest health survey were taken into account when designing the Group's human resources strategy, therefore the Group focuses on employee development, improvement of the quality of the working environment, and employee satisfaction and commitment.

In the financial year, satisfaction surveys were carried out at the Group's Finnish companies where 80% of employees participated in the survey. The employee satisfaction measures were as follows: 72% at Satmatic Oy, 80% at Finnkumu Oy (from 31 December 2020 merged with Satmatic Oy) and 72% at Telesilta Oy.

Harju Elekter uses various solutions to enhance employee satisfaction and increase their motivation. The motivation system is upgraded regularly once a year. At the Group level, long-term employees in Estonia can get additional vacation days to be used between December and March.

In raising employee commitment, the crucial factors include leadership and involvement skills of managers, development of teamwork, and provision of feedback and employee recognition.

The Group companies have created various motivation systems, for example:

- a bonus system based on operating profit and personal performance that covers all employees. Profit-based bonuses motivate employees to contribute to the performance of the company as a whole;
- stimuli dependent on the length of employment;
- share-option plans aimed at involving members of the management bodies and employees of the Group companies as shareholders of the Group in order to motivate them to contribute to better economic results;
- inter-company and inter-country exchange programs supporting quick gaining of knowledge and experiences at the Group and offering rotation opportunities for employees;
- fostering recreational sports and provision of physiotherapy opportunities;
- additional benefits such as Christmas and summertime events for employees and their children, a day off for the parents whose children start school, celebration of jubilees, allowance in the event of the loss of a close family member, school graduation bonuses and election of the employees of the year.

Many employee satisfaction and motivation related activities and plans had to be postponed

until 2021 due to the restrictions arising from the coronavirus. Going forward, intra-group principles and questions are planned to be used for measuring employee satisfaction and commitment in order to obtain a better overview.

Personal development of employees

In 2020, the focus remained on improving the management capacity and quality of the executives of Harju Elekter companies. In addition, emphasis was laid on the topics of mental health, occupational safety, ISO management systems as well as production optimization and effectiveness. In 2020, the Group companies continued with the development of new employee orientation programs.

Each year, the Group companies carry out regular training courses and sessions targeted at improvement of special skills and qualification. Electricity and new equipment (bending robot) related training courses were arranged at the Estonian subsidiaries. Project management training sessions were organized for the employees in Estonia and Lithuania, and in the latter, participants could obtain the certificate "Best Practices for Project Management Success".

In 2020, 52% (2019: 46%) of the Group's employees participated in training courses, attending 8 (2019: 11) hours per employee on average

First aid, occupational, fire and electricity safety training sessions were organized for the employees of the Group companies; and training sessions were organized for working environment commissioners to keep up with significant legislative changes. All employees are constantly being instructed in recycling matters so that they would be able to sort waste by type.

In 2020, 52% (2019: 46%) of the Group's employees participated in training courses, attending 8 (2019: 11) hours per employee on average. Lithuania trained its employees the most, with 19.6 (2019: 3.0) hours on average per employee. In 2020, 56% (2019: 68%) of the company's executives and specialists attended training courses with average training being 8.7 (2019: 13.6) hours. Employees received 8.2 (2019: 8.4) hours of training on average.

The training and development needs are identified via performance appraisals held with employees at least once a year. Performance appraisals are held with employees at all levels in most of the Group companies.

Occupational health and safety

Occupational health and safety of the employees and a modern working environment are of utmost importance to the Group. Being a caring and responsible employer, Harju Elekter provides its employees with modern work and non-work conditions that are in compliance with current legislation. Since people perceive high risks in the work environment, the Group invests more in improving occupational health and safety than the law requires. All the subsidiaries of the Group have made the management of occupational health and safety their strategic matter.

Since September 2019, the Group's Estonian companies have concluded contracts with an occupational health care partner that carries out medical examinations of employees in accordance with the procedure established by law and at intervals prescribed by an occupational health doctor. The new service provides a better overview of mental health related risks and carries out a staff health audit on the basis of a thorough data analysis. For the companies, it provides an action plan with recommendations to improve employee health: how to increase productivity and profitability.

In the financial year, the Finnish companies launched cooperation with a new health care partner to ensure better quality and results for employee health and well-being.

The Lithuanian subsidiary has concluded accident insurance contracts with its employees that also cover accidents that may happen in their home offices. The companies of Harju Elekter Group also have existing travel insurance policies and in addition, for members of the management boards life insurance policies have been concluded.

To assess compliance with the working environment requirements, potential risks and fulfilment of employee requests, the companies have concluded risk analyses on the basis of which various investments are made into the tools as well as working practice changes. The focus remains on improving the management of occupational safety and other similar practical issues, e.g. hoist-related safety, fire safety and evacuation issues, use of personal protective equipment, etc. In 2020, due to the threat stemming from the virus, personal protective equipment and disinfectants also received special attention, as well as utilization of other preventive safety precautions. All companies enable remote working from home offices to the extent possible and changes were made to work practices to lower illness risk.

The production operations of Harju Elekter UAB, AS Harju Elekter Elektrotehnika and Telesilta Oy comply with the Occupational Health and Safety Assessment Series ISO 45001. In its activities, Harju Elekter AB proceeds from the requirements of ISO 45001 standard.

The companies systematically follow the indicators related to employee health and work environment to adopt preventive measures on their basis

The companies systematically follow the indicators related to employee health and work environment to adopt preventive measures on their basis.

In 2020, the number of occupational accidents increased in Estonia and Finland, but they represented minor work-related accidents where employees recovered quickly. The Group companies registered 22 (2019: 13) occupational accidents or injuries, including 6 (2019: 1) in Estonia, 1 (2019: 2) in Lithuania, 6 (2019: 1) in Finland and 9 (2019: 9) in Sweden. There were no fatal occupational accidents or any cases of occupational diseases. The share of lost workdays due to occupational accidents at the Group companies was 0.4% (2019: 0.02%) on average and the number of workdays lost due to an illness was 2.4% (2019: 2.0%) on average.

Diversity and fair treatment

At the Group, following the principle of diversity and fair treatment is part of the work organization and the recruitment process of the staff. Therefore, the Group does not distinguish between or select employees based on their gender, religion, nationality or race, but relies on their skills and competencies. 24% (2019: 24%) of the staff of the Group are women while there is one female executive out of 18 top executives (Supervisory Board, Management Board and executives).

The Group has made certain that people get equal pay in equal job categories and ensured equal pay levels for men and women in the same position and job category. The Group companies try to knowingly create an open corporate culture and management processes that would help to mitigate risks and discrimination arising from human rights violations and unequal treatment.

No discrimination cases were registered in 2020.

Trade unions

Harju Elekter approves its employees' membership in trade unions and, therefore, 79% of the employees of the Group have signed trade union agreements.

The manufacturing companies operating in Estonia have constructive cooperation with Keila Industrial Park's Trade Union (KETA). Approximately 30% of the employees of these companies have registered themselves as its members.

In 2020, the collective agreement concluded between the companies and the representatives of the employees was renewed and it applies to all employees. The employees of the Group's Lithuanian company are voluntary members of local trade unions, and the employees of the Finnish and Swedish companies belong to local professional associations. The trade union is an important channel of exchange of information between the Group's management and the employees as well as organization of other activities with employees.

Environmental management

Harju Elekter Group considers it important to minimize the environmental impact of its operations and enhance the positive environmental impact.

For this purpose, the Group companies have defined their environmental aspects, conducted environmental impact assessments and combined the environmental activities with the organization's management system and business processes.

The manufacturing of energy distribution and control equipment is a relatively clean process and does not have any serious harmful impacts or burdens on the natural environment. The company finds that the main environmental aspects include the consumption of electricity and heat on the manufacturing premises, the use of certain materials (primarily copper) and waste generation (primarily copper and steel), to a lesser extent also paint residues and use of transportation services when transporting products.

100% of the metal and plastic waste generated in the manufacturing process is recycled and so is most of recyclable cardboard and film waste. When transporting goods between the production factory in Keila, reusable packages are used.

The Group monitors and applies diligently the principles regulating the use of recyclable and other packaging materials, and reports it to the appropriate institutions as laid down in the procedures.

Powder paints are used in paint lines, which is one of the most popular surface processing methods in metal industry as they do not contain solvents and heavy metals, and are thus more eco-friendly.

In 2020 and in prior years, the Group companies did not violate any environmental laws or other legislation.

Preventive activities are important for the Group, ensuring that neither environmental deviations nor any violations would occur.

The management of environmental aspects is based on three pillars:

- compliance with environmental laws and other legislation;
- periodic analysis of environmental risks and environmental impact assessment;
- implementation of the environmental management standard ISO 14001 in all the manufacturing enterprises of the Group.

Customers who determine the qualities of a finished product and the criteria for the materials to be used in manufacturing play an important role in contributing to the environmental impact. Therefore, environmental awareness and if possible, guiding customers to use green solutions is of importance.

The environmental policy guides the Group companies towards following environmental requirements arising from laws, rules, society and customers. Action plans focus on optimization of processes, use of materials and resources in a more sustainable manner, making work techniques and technologies more efficient and attaining the least possible environmental impact.

The members of the management boards of the Group and subsidiaries as well as the specialists in the respective fields are responsible for environmental matters. The Group aims to achieve that each employee understands how he/she impacts the environment and is able to contribute to reducing his/her footprint. For this purpose, employees undergo training to be able to notice and make proposals for more reasonable organization of transportation, waste management, the use of materials and energy and make them more eco-friendly. In several subsidiaries of the Group, the employees are responsible for following 5S principles aimed at increasing productivity which, in addition to creating well-maintained and systematic workplaces, also support the reduction of a waste of resources.

Environmental impact of the product life cycle

The Group's goal is to create long-lasting and seamlessly working solutions which are reliable and sustainable for customers and the society. The market also presumes that, for example, the lifecycle of substations is at least 40 years. Long-term solutions translate into lower demand for manufacturing of new substations and less harm on the environment. Flexible engineering technical solutions enable to attain additional effects for lengthening the lifecycle of products and solutions.

In the case of substations, it is usual that the concrete used for their construction is crushed and reused as filler in road construction; metal parts are given to purveyance and the components of electric equipment are recycled as required. The main negative environmental impact from the use of substations comes from SF6 gas that is used to make switches in medium-voltage equipment, which is still preferred by a large number of customers, especially in Estonia and Finland. More environmentally-friendly alternatives include the use of air insulation or vacuum technology, but these would raise the price of the whole product by about a third and the market is simply not ready for it yet. However, it is possible to lower the price in product development with eco-friendly solutions, for example, if it is possible to make a product with fewer components.

Materials and waste

The main materials used in manufacturing include steel and copper elements, powder paints and various electrical engineering and electronics components. Even though a large portion of the selection of the materials is dictated by customers, the Group companies themselves choose more environmentally-friendly alternatives of the highest quality, where possible.

The company tries to reduce generation of metal waste via optimization of manufacturing processes. The paint lines are able to collect some of the paint residue and reuse it. Most of the packaging is reused as well.

The Group companies are contractual partners of the non-profit association Eesti Pakendiring-

lus. The subsidiary Satmatic Oy cooperates with the Finnish producer liability organization RINKI in order to ensure recycling of electronics, copper, cables and other waste.

The Group's Lithuanian subsidiary Harju Elekter UAB gives unused, but safe electrical components to the electrical technology students of the Panevežys College to be used in teaching and learning activities.

Hazardous waste is collected and taken to waste management undertakings. In the shops of the subsidiary Energo Veritas OÜ, the collection and handling of waste electrical and electronic equipment (lamps, light sources, batteries, cables, boilers, etc.) is ensured in compliance with the Waste Act with the help of Estonian non-profit association Elektri- ja Elektroonikaseadmete Ringlus.

The quantity of waste at the Group companies increased. In 2020, a total of 1,258 (2019: 1,152) tons of waste was generated, including 16.1 (2019: 3.7) tons of hazardous waste that was discarded as required. The growth of hazardous waste is related to cleaning of paint lines. 85% (2019: 86%) of non-hazardous waste was sorted and recycled.

Energy

The Group companies try to reduce the consumption of electricity and heat through smart and sustainable technologies and construction of energy-efficient buildings. In addition to buildings used by the subsidiaries, the Group considers energy-efficiency important also in the case of industrial real estate that it develops in Keila, Allika and Haapsalu Industrial Parks. An A-class energy label was assigned to the building that was completed most recently, i.e. Laohotell 2.

In 2020, the Group companies consumed 4,568 (2019: 4,066) MWh of electricity and 3,892 (2019: 3,772) MWh of heat. Approximately 12% (2019: 15%) of the total consumption of electricity and heat originated from renewable sources.

In 2020, AS Harju Elekter Elektrotehnika conducted an energy audit to map out the areas that consume energy the most. Activities based on the analysis of the respective results to reduce the energy cost are planned for 2021. In 2020, Harju Elekter AB also focused on energy projects and replaced the lamps in the factory by LED lighting. The replacement of the inner and outer lighting of the various buildings of the Group by more energy-efficient ones has been a long-term project whose purpose is to replace all previous lights by LED lighting solutions.

When developing industrial real estate, AS Harju Elekter follows the principles of environmental sustainability:

- In the case of new buildings, it is thoroughly assessed which heating solution is the most suitable one for the given building or production method. New buildings are built to be more heat-preserving than the requirements prescribe. All new buildings built by Harju Elekter since 2017 are equipped with solar panels on the roof and this principle will also be followed in the future.
- Older building are made more energy-efficient by insulating the walls and roofs and their heat and ventilation systems are modernized.

Such improvements will help to meet the increasing expectations of lessees, place value on environmental conservation and more economical energy consumption.

Generation of renewable energy

Harju Elekter Group pays increasing attention to the generation and use of renewable energy. At the end of 2019, the total installed capacity of the Group's solar power plants was 1,340 kW.

In 2020, the portfolio of the solar power plants of Harju Elekter increased by 397 kW. A Laohotell 2 building was built in Allika Industrial Park, on the roof of which solar panels with the capacity of 73 kW. Additionally several other stand-alone solar power plants with the capacity of up to 324 kW were installed. Thus, by the end of the year, the capacity of the installed solar power stations increased to 1,737 kW.

In 2020, the Group's solar power plants generated a total of 1,225 MWh of electricity.

In 2020, of the Group's Estonian companies, AS Harju Elekter consumed 5.8 MWh, AS Harju Elekter Elektrotehnika 29 MWh and AS Harju Elekter Teletehnika AS 44 MWh of the electricity generated from sunlight. In the financial year, Satmatic Oy produced 56 MWh and Finnkumu Oy 37 MWh of electricity using solar energy. Harju Elekter AB covered the entire heat energy consumption and 98% of electricity consumption from renewable energy.

Although use of solar energy still accounts for only a small portion of the energy consumption of the Group and its lessees, new buildings to be constructed will be using solar energy as their source of energy. The majority of the solar energy generated, i.e. 1,053 MWh was sold to the electricity network or directly to the tenants of the buildings.

Share and shareholders

On 30 September 1997, the shares of AS Harju Elekter were listed on the Nasdaq Tallinn Stock Exchange, which is part of the world's largest stock exchange group Nasdaq. The ticker symbol of the share of AS Harju Elekter on the Nasdaq Tallinn Stock Exchange is HAE1T and ISIN: EE3100004250. All the shares of the company are freely tradeable on the stock exchange and every share gives an equal right to voting and dividends. All the shareholders of the company are also equal and there are no separate restrictions or agreements on voting rights. To the knowledge of AS Harju Elekter, there are no restrictions on the transfer of the securities or other specific control rights in shareholders agreements.

As at 31 December 2020, the share capital of AS Harju Elekter amounted to 11.18 million euros, which is divided into 17.74 million ordinary shares without nominal value. The book value of a share is 0.63 euros.

As at 31 December 2020, the share capital of AS Harju Elekter amounted to 11.18 million euros, which is divided into 17.74 million ordinary shares without nominal value. The book value of a share is 0.63 euros

The year 2020 turned out to be a year of extraordinary changes in the stock markets – a sharp fall and thereafter, a recovery at record speed. The novel coronavirus (COVID-19) pandemic announced by the World Health Organization (WHO) in the first quarter of the year took the global stock indices into a significant dive. In March 2020, stock indices lost more than 20 per cent of their value. The Tallinn Stock Exchange - OMX Tallinn fell by as much as 24.1%. Since the beginning of April, stock markets started to recover strongly. As at 31 December 2020, the US stock market index S&P 500 closed at 3756.07 points which is a record result, increasing by 16% in a year. The Tallinn Stock Exchange Index OMX Tallinn increased by 5% (2019: 10%) in a year but the fastest growth occurred in the last two months of the year (+15%). However, European stock market Stoxx 600 index fell by 4% in a year. As opposed to the spring of 2020, the virus outbreak in the autumn did not make investors worried, because the recovery will be fast once the virus recedes. Now that vaccinations are underway, the economy is expected to recover strongly in 2021.

Share price and trading

	2020	2019	2018	2017	2016
Average number of shares (pcs)	17,739,880	17,739,880	17,739,880	17,739,880	17,739,880
Opening price (euros)	4.26	4.12	5.00	2.85	2.62
Highest price (euros)	5.26	5.20	6.68	5.08	2.94
Lowest price(euros)	3.20	4.01	3.89	2.80	2.43
Closing price (euros)	5.18	4.21	4.12	5.00	2.83
Change in the closing price (%)	23.0	2.2	-17.6	76.7	7.6
Company's market capitalization (millions)	91.89	74.68	73.09	88.70	50.20
Traded shares (pcs)	1,160,598	531,415	1,100,773	1,349,617	947,294
Turnover (million euros)	4.99	2.35	5.98	5.46	2.45
Net profit per share (euros)	0.31	0.14	0.09	1.64	0.18
P/E ratio (ratio)	16.52	30.07	45.78	(3) 3.05	15.72
Dividend per share (euros)	(1) 0.16	0.14	0.18	0.24	0.18
Dividend rate (%)	3.1	3.3	4.4	4.8	6.4
Dividend/net profit (%)	51.0	100.9	206.6	(2)100.0	100.0

(1)- Management Board's proposal
(2)- From ordinary net profit = the net profit of the owners of the parent company less one-off proceeds from the sale of the shares in PKC Group Oyj
(3)- Takes into account the profit from the extraordinary sale of an investment in 2017

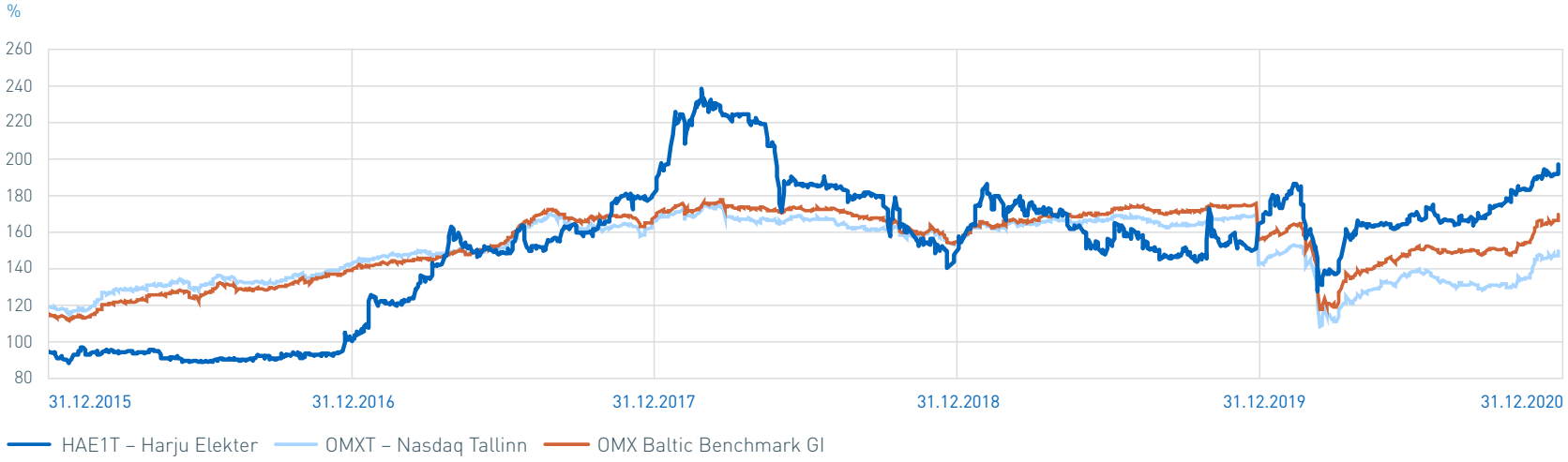
At the last trading day of the year, the share of AS Harju Elekter closed at 5.18 euros, increasing by 23.0% in a year. As at 31 December 2020, the market value of the company was 91.89 million euros. The volume of transactions doubled to 4.99 million euros and so did the number of shares traded (1.2 million shares in 2020 as compared to 0.5 million shares in 2019). The number of the shareholders of the company continued to increase. As at 31 December 2020, AS Harju Elekter had 5,084 shareholders.

The share price of AS Harju Elekter (euros) on the Nasdaq Tallinn Stock Exchange in 2016-2020

Nasdaq Tallinn, www.nasdaqbaltic.com

The share price change of AS Harju Elekter compared to the changes in share indices in 2016–2020

www.nasdaqbaltic.com/statistics/et/charts



Structure of shareholders at 31 December 2020

As at 31 December 2020, AS Harju Elekter had 5,084 shareholders. In the financial year, the number of shareholders increased by 1,650. The largest shareholder of AS Harju Elekter is AS Harju KEK which is based on local capital and which owns 31.39% of the company's share capital. Foreign shareholders make up 14.39%. As at 31 December 2020, the members of the company's Supervisory and Management Boards owned either directly or through indirect shareholdings 9.51% of the company's shares. The complete list of the shareholders of AS Harju Elekter is available on the website of the Nasdaq CSD.

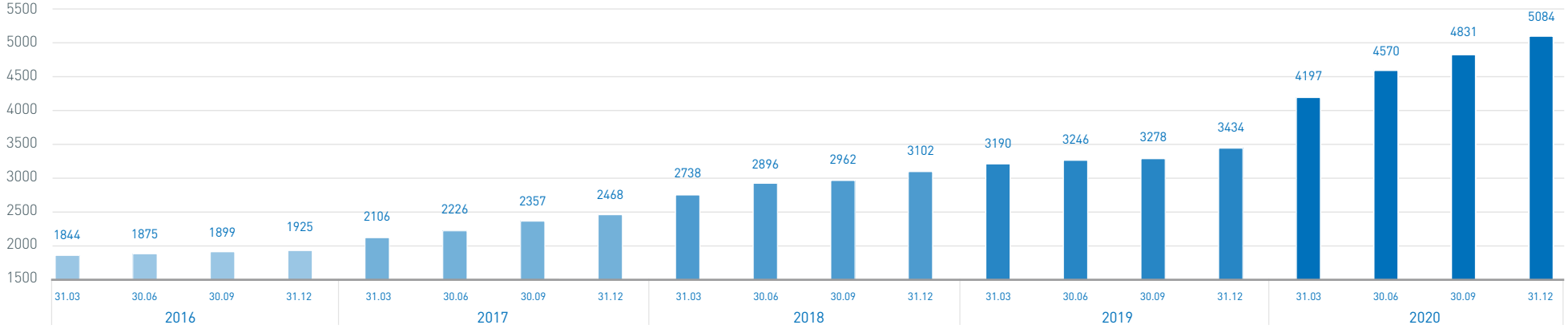
Division of shareholders by shareholding size

Shareholding %	Number of shareholders	% of total number	Voting right %
More than 10%	2	0.0	42.1
1.0 - 10.0%	8	0.2	21.6
0.1-1.0%	58	1.1	16.2
Less than 0.1%	5,016	98.7	20.1
Total	5,084	100.0	100.0

List of shareholders over 5%

as of 31 Dec 2020	Shareholding (%)
AS Harju KEK	31.39
ING Luxembourg S.A.	10.71
Endel Palla	7.04
Shareholders with holdings less than 5%	50.86

Number of shareholders



Break-down of shareholders by country

(as at 31 December 2020)

Country	Total number of shareholders	Number of shareholders (pcs)			Total number of shares	Number of shares (pcs)			Total % of shares	% of shares		
		Legal	Private	Institutions		Legal	Private	Institutions		Legal	Private	Institutions
Estonia	**4,967**	360	4,572	35	**15,186,287**	6,375,530	8,633,289	177,468	**85.6**	35.9	48.7	1.0
Luxembourg	**1**	-	-	1	**1,899,768**	-	-	1,899,768	**10.7**	-	-	10.7
Sweden	**6**	-	2	4	**195,953**	-	472	195,481	**1.1**	-	0.0	1.1
USA	**6**	-	2	4	**191,405**	-	1,510	189,895	**1.1**	-	0.0	1.1
Finland	**47**	-	46	1	**95,509**	-	19,655	75,854	**0.5**	-	0.1	0.4
Lithuania	**5**	-	-	5	**91,907**	-	-	91,907	**0.5**	-	-	0.5
Latvia	**8**	-	4	4	**44,882**	-	4,938	39,944	**0.2**	-	0.0	0.2
Germany	**8**	-	6	2	**16,084**	-	2,625	13,459	**0.1**	-	0.0	0.1
Other countries	**36**	-	33	3	**18,085**	-	12,465	5,620	**0.2**	-	0.2	0.0
TOTAL	**5,084**	**360**	**4,665**	**59**	**17,739,880**	**6,375,530**	**8,674,954**	**2,689,396**	**100.0**	**35.9**	**49.0**	**15.1**

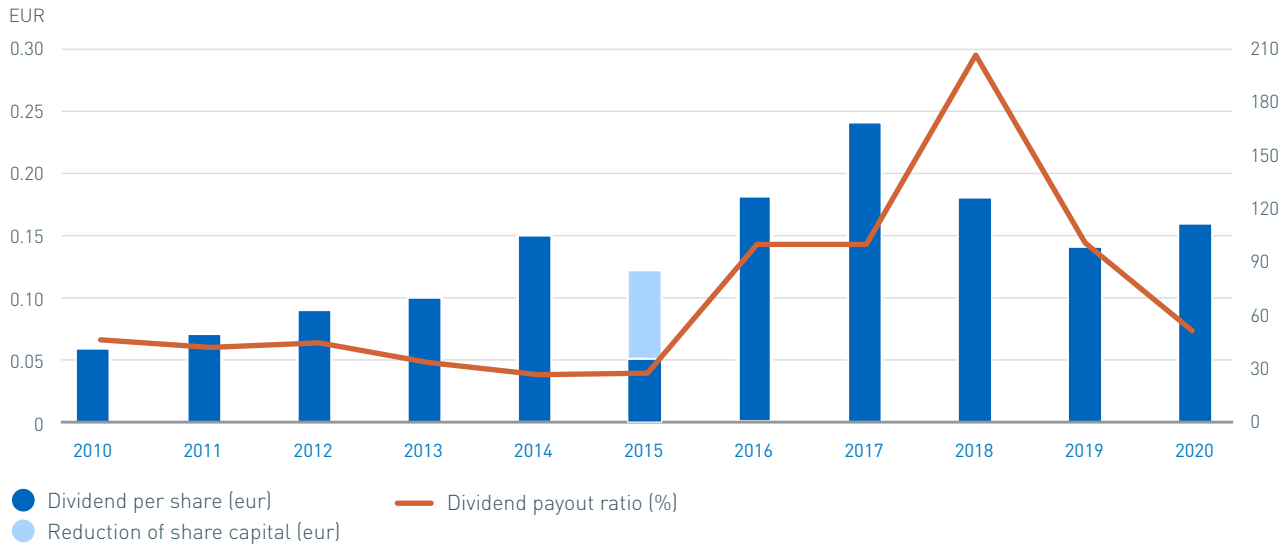
Dividends

According to the Group's dividend policy, at least one third of the net profit generated in the ordinary course of business is paid out as dividends. The actual dividends rate, however, depends on the Group's cash flows and future outlook and funding needs.

The Management Board with the approval from the Supervisory Board proposes to the general meeting of Shareholders to pay 0.16 (2019: 0.14) euros per share as dividends, in the total amount of 2.8 (2019: 2.5) million euros.

Information about the history of dividends and ratios is disclosed in the table Share price and trading on page 68.

Dividends



Management principles

In its business operations, the Harju Elekter Group proceeds from the effective national laws and legal standards, the company's articles of association and, as a public company, from the requirements of Nasdaq Tallinn Stock Exchange, the guidelines on the Corporate Governance Code (CGC) and the principles of equal treatment of shareholders and investors.

The Group relies on governance principles, which are honest and transparent in internal communication, customer relationships and relations with third parties. The Group companies did not contribute to political activities with monetary or non-monetary values in 2020.

The Group has zero tolerance towards a conflicts of interest, corruptive behaviour and unfair competition by its employees and partners. The rules, guidelines and verbal agreements at management level established in the Group companies help reduce reputational risks and thereby uphold the Group's reliability on the market and in relationships with stakeholders. Key persons are obliged to declare their business interests and operating rules have been established for people in possession of inside information. The internal rules of work are introduced to all employees of the Group upon the commencement of their employment and regular area-based training and internal audits are organised.

Certain principles have been agreed to mitigate the risks arising from conflicts of interest, e.g. another decision-maker must be included in the case of major transactions and the agreement of a manager must be obtained for participation in motivation events organised by customers.

The companies pay great attention to developing an open organisational culture. The Group uses a procedure for holding meetings and exchanging information in order to inform the company's management about critical transactions that involve high economic risks and possible non-compliances.

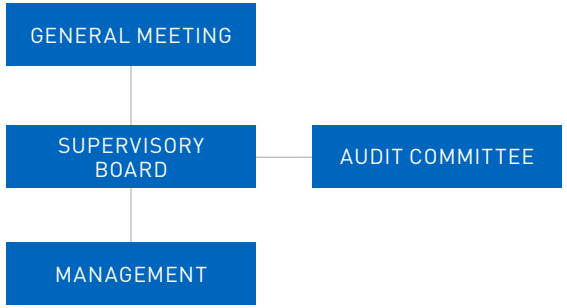
No incidents related to corruption or conflicts of interest were registered in the Group in 2020, which is why no employees were fired, no fines were imposed and no judicial complaints were filed in relation to this. There were also no incidents due to which contracts with business partners were terminated or their renewal was suspended due to corruptive behaviour.

There were no non-compliances with effective regulations (including in the economic, social and natural environment) in the other activities of the Group companies, which is why no fines or non-monetary sanctions were imposed on the Group companies. Also, no Group company or employee was contacted in a court case for non-compliance with laws.

Corporate Governance Report 2020

The Corporate Governance Code is a set of guidelines and advisory rules, which primarily listed companies are expected to follow. Harju Elekter follows the Corporate Governance Code, except of otherwise noted in this report.

AS Harju Elekter is a public limited company whose managing bodies are the general meeting of shareholders, the supervisory board and the management board.



General meeting

Exercise of rights by shareholders

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

Each shareholder has the right to participate in the general meeting, speak up on the items presented in the agenda during the general meeting, and submit reasoned questions and make proposals.

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

Calling a general meeting and information to be published

The annual general meeting takes place once a year not later than within six months after the end of the financial year of the company. A special general meeting is called by the management board in accordance with law. The management board gives notice of an annual general meeting at least three weeks in advance.

Harju Elekter published the notice calling an annual general meeting on 3 June 2020 via the information system of the Nasdaq Tallinn Stock Exchange and on its website, and on 5 June 2020 in Äripäev. Shareholders could send questions about the topics on the agenda to the e-mail address given in the notice and read the annual report on the website of Harju Elekter and at the company's location at Paldiski mnt 31, Keila. The shareholders submitted no questions about the topics on the agenda before the general meeting of shareholders in 2020.

Holding a general meeting

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

The general meeting of shareholders of AS Harju Elekter of 2020 was held on 30 June in the Keila Cultural Centre at Keskväljak 12. The meeting was held in Estonian. All members of the supervisory board and the management board attended the meeting. The auditor did not attend the general meeting. The CEO and the chairman of the supervisory board of Harju Elekter made presentations. 52 shareholders or their authorised representatives attended the meeting and they represented 64.70% of the total number of votes. Harju Elekter does not have the appropriate reliable and technically secure equipment, which is why the general meeting could not be viewed or attended via means of communication.

The general meeting approved the annual report for 2019 and profit distribution proposal and decided to pay the shareholders dividends for 2019 in the amount of 0.14 euros per share, 2.5 million euros in total. The decisions made at the general meeting were published in the information system of the Nasdaq Tallinn Stock Exchange and on the company's website.

Management board

Functions of the management board

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

Composition and remuneration of the management board

The management board consists of one to five members. The members of the management board are elected by the supervisory board for a term of three years. To elect a member of the management board, his or her written consent is required. The chairman of the management board is appointed by the company's supervisory board.

The long-term CEO of Harju Elekter Andres Allikmäe announced in late 2019 that he would be moving into the position of business development manager in the company's executive management after the expiry of his authorisation as member of the management board on 3 May 2020. The supervisory board of Harju Elekter appointed recent member of the management board and CFO Tiit Atso the new CEO as of 4 May 2020 at the meeting held on 16 March 2020.

The management board of AS Harju Elekter has two members as of 4 May 2020. CEO Tiit Atso is responsible for the general and strategic management, daily business activities and financial issues of the Group. Member of the management board Aron Kuhi-Thalfeldt is responsible for the company's property and energy areas. The members of the management board participate in the work of the managing and control bodies of the Group's subsidiaries.

Remuneration is paid to the members of the management board according to the contract of a member of the management board. Performance pay is paid to the members of the management board on the same grounds as to the

administrative staff of the Parent company. Performance pay is divided on the basis of the basic remuneration and work contribution, whereby the performance pay of a member of the management board is coordinated with the Chairman of the Supervisory Board. Up to 80% of performance pay is paid on a quarterly basis, while the remaining 20% is paid out after the approval of the results of the financial year. The top management, including management board members also receive an annual bonus, which amounts to 1.0% collectively of the consolidated net profit. The annual bonus is approved by the chairman of the supervisory board and it is paid out after the Group's annual accounts have been audited. Members of the management board are entitled to severance pay up to eight month's remuneration of a management board member.

In 2020, the remuneration paid to the members of the management board including the performance fee for the previous year, social taxes and the contractual severance pay of the resigned member of the management board totalled 509 thousand euros. Harju Elekter does not disclose the remuneration paid to the members of the management board individually, because it believes that this is sensitive information the disclosure of which is unimportant and would not give added value to the shareholders.

As at the end of 2020, the members of the company's management board held a total of 0.06% (2019: 1.33%) of the company's shares directly and via indirect holdings.

Detailed information about the education, career, participation in the managing bodies of companies and shareholdings in AS Harju Elekter of the members of the management board is given on the company's website www.harjuelekter.com.

Conflict of interests

The members of the management board abstain from conflicts of interest and follow the requirements of prohibition of competition. The members of the management board must inform the other members of the management board and the chairman of the supervisory board of Harju Elekter of any business propositions made to them, the persons close to or related to them, which are associated with the company's economic activities. The supervisory board decides on the conclusion of transactions with a member of the management board of Harju Elekter or persons close to or related to them that are important for the company and determine the terms and conditions of such transactions.

A member of the management board of Harju Elekter does not demand or accept from third parties money or any other benefits for personal purposes in connection with their work or grant to third parties any unlawful or unreasonable advantages on behalf of the issuer. There were no conflicts of interest or incidents of corruption in 2020.

Supervisory board

Functions of the supervisory board

The supervisory board plans the activities of the Company, organises the management thereof and supervises the activities of the management board. The supervisory board issues orders to the management board for the organisation of the management of the company. The supervisory board decides on the company's development strategy and investment policy, the conclusion of transactions with immovables and the approval of the investment and annual budget prepared by the management board. Meetings of the supervisory board are held when necessary but not less frequently than once every quarter. The supervisory board has a quorum if over a half of the members of the supervisory board are present.

Nine meetings of the supervisory board were held in 2020. Endel Palla, Arvi Hamburg and Triinu

Tombak attended all meetings of the supervisory board; Andres Toome and Aare Kirsme attended eight meetings.

Composition and remuneration of the supervisory board

According to the articles of association, the supervisory board of Harju Elekter has three to five members. The members of the supervisory board are elected by the general meeting for a term of five years. On 27 April 2017, the annual general meeting of shareholders elected the following five-member supervisory board for the public limited company for a period of five years: Endel Palla, Arvi Hamburg, Aare Kirsme, Triinu Tombak and Andres Toome. The Chairman of the Supervisory Board is Endel Palla, who has been working for the company since 1969. Two of the five members of the supervisory board – Arvi Hamburg and Triinu Tombak – are independent members. The authorities of the members of the supervisory board remain valid until 3 May 2022.

The remuneration of a member of the supervisory board and the chairman of the supervisory board determined by the general meeting of shareholders as of 4 May 2017 is 1,000 euros per month and 1,600 euros per month, respectively. In addition to this, the fee for attending meetings in the amount of 200 euros was determined for members of the supervisory board, which is not paid if the member of the supervisory board attends the meeting by telephone. The members of the supervisory board working in executive management are paid a performance fee on the same basis as to the members of the management board.

In 2020, the remuneration paid to the members of the supervisory board of AS Harju Elekter with the social taxes totalled 110 thousand euros, including 28 thousand euros paid to the Chairman of the Supervisory Board. The Group will not be obliged to pay compensation when the authorisation of the members of the supervisory board expire or are terminated. The Chairman of the Supervisory Board is an exception, as he has the right to receive severance pay in the amount of the development director's salary for six months.

As at the end of 2020, the members of the company's supervisory board held a total of 9.45% (2019: 9.45%) of the company's shares directly and via indirect holdings.

Detailed information about the education, career, participation in the managing bodies of companies and shareholdings in AS Harju Elekter of the members of the management board is given on the company's website www.harjuelekter.com.

Conflict of interests

The members of the supervisory board abstain from conflicts of interest and follow the requirements of prohibition of competition. In their activities as a member of the supervisory board, a member of the supervisory board prefers the interests of the issuer to their personal interests or the interests of third parties. Members of the supervisory board do not use commercial offers aimed at the issuer in their personal interests. A member of the supervisory board will not vote at the meetings of the supervisory board if granting consent to the conclusion of a transaction between the member of the supervisory board and Harju Elekter is being decided or if a similar conflict of interest is caused by a transaction of a related party of the member of the supervisory board. There were no such conflicts of interest in 2020. Also, no significant transactions were concluded in 2020 between Harju Elekter and the members of the supervisory board or persons close to or related to them.

Cooperation between the management board and the supervisory board

The management board and the supervisory board cooperate closely for the purpose of the best protection of interests of Harju Elekter.

The management board regularly informs the supervisory board of any important matters that concern planning the activities of the Group as well as its business activities and draws particular attention to important changes in the business activities of Harju Elekter. The management board forwards data, incl. financial reports, to the supervisory board in sufficient time prior to supervisory board meetings. The management of the company is governed by relevant laws, the articles of association and the decisions of and the goals set by the meetings of shareholders and the supervisory board.

Diversity policy

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

AS Harju Elekter has not considered it necessary to prepare a document covering diversity policy and people are elected and appointed to the highest managing bodies primarily in consideration of the possible added value that they bring to the management of the Group with their knowledge and skills, and their suitability. Nobody is discriminated against on the grounds of age, gender, religion, origin or other characteristics.

Publication of information

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

In order to quickly inform the shareholders and the public, the company has a website that includes stock exchange notices, economic reports, compositions of the management board and the supervisory board, information on the auditor, an overview of the Group, its history, products and other important information.

Unlike point 5.3 of the CGC, the management board of the company finds that strategy is a trade secret of a company and not subject to disclosure. The general directions and important topics have been outlined in the management report. The company does not find it important to keep a schedule regarding the time and agenda of the meetings of different shareholder according to point 5.6 of the CGC, because the information discussed at the meetings has already been published. The company always proceeds from the principle of equal treatment of shareholders in its activities. Mandatory, important and price-sensitive information is first disclosed in the system of the Nasdaq Tallinn Stock Exchange and then on the websites of the Financial Supervision Authority and the company. Each shareholder also has the right to request additional information from the company and set up meetings. This rule applies in the case of all meetings, also immediately before the disclosure of financial reports.

Financial reporting and auditing

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

A regulation of the European Commission entered into force on 18 June 2019, according to which the issues whose securities have been accepted for trading on the regulated market of a European Union Member State must, as of 1 January 2020, submit their consolidated annual financial reports in the European Single Electronic Format (ESEF). Pursuant to article 4(7) of the Transparency Directive, Member states may permit issuers to submit annual financial reports in the electronic format as of the financial year that starts on 1 January 2021 or later. Member States may postpone the implementation of the ESEF requirements by a year if the Member State informs the European Commission of the respective intention. The resolution on postponement of the implementation of the ESEF has not been adopted in the legislation of Estonia by the time this report is submitted, but the Financial Supervision Authority and the Ministry of Finance have approved the postponement.

According to the resolution of the general meeting of shareholders of 3 May 2018, AS Harju Elekter and its subsidiaries are audited by AS PricewaterhouseCoopers from 2018-2020, except for Energo Veritas OÜ, which is audited by Baker Tilly Baltics OÜ and Harju Elekter Services AB, which is audited by Allians Revision & Redovising AB.

The information on the auditor is accessible on the company's website. The auditors are remunerated for their work according to contract and the size of the remuneration is not disclosed by agreement of the parties. The next election of the auditor will take place at the annual general meeting in 2021.

During the reporting period, the auditor did not inform the supervisory board of any significant circumstances that have become known to them, which may affect the work of the supervisory board and the management of the issuer. Neither did the auditor inform the supervisory board of any threats to the auditor's independence or professionalism. The auditor gave the audit committee formed by the supervisory board a written overview of the course of the audit of the company in 2020, the observations made and any other important topics that were discussed with the management board of the company.

Additional managing bodies and committees

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

Audit committee

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

The audit committee of AS Harju Elekter has two members. Members of the supervisory board Triinu Tombak (chairman) and Andres Toome belong to the committee since 2012.

HARJU ELEKTER IS A GOLD SPONSOR OF THE TALLINN UNIVERSITY OF TECHNOLOGY

Harju Elekter, in partnership with the Tallinn University of Technology, grants up to four scholarships annually to Bachelor's and Master's students who are specialising in energy or mechanical engineering. Since 2001, 73 Bachelor's and Master's students have participated in the scholarship programme and 14 of them have been employed by the Group following their studies. Currently, the Group employs six scholarship recipients. We are always eager to support students with the hope of developing and popularising engineering education, and we offer internship opportunities for young electrical and mechanical specialists in our company.

Social involvement

The Harju Elekter Group is an active and concerned member of the community and supports the development of the sector related to its area of activity in countries where the company's business units and employees are located.

The objective of the support activities of the Group is to be a permanent partner and it therefore focuses primarily on the establishment and development of long-term cooperation relationships.

In 2020 Harju Elekter phrased the two main direction of its sponsorship activities, according to which the following is primarily supported:

- education and interest of young people in technology; and
- local youth sports.

We support the development of the area of engineering education

Irrespective of the health crisis in the world and Estonia, Harju Elekter continued with various cooperation projects with educational institutions also in 2020 in order to develop and popularise engineering education among young people.

- AS Harju Elekter is a gold sponsor of the Tallinn University of Technology and grants up to four scholarships named after the company to Bachelor and Master's students every year. 73 students have participated in the scholarship programme since 2001.
- The company participates in granting a scholarship aimed at students with special needs, which is named after M. Aitsam, in cooperation with the Tallinn University of Technology Development Fund and Esto-

nian companies. The Chairman of the Supervisory Board of the company Endel Palla has granted a scholarship named after him for many years.

- AS Harju Elekter has contributed to the professional activities of the students of the Department of Power Engineering (School of Engineering) for more than 10 years. The Formula Student Team Tallinn, which consists of the technology students of Tallinn University of Technology and the Tallinn University of Applied Sciences and participates in international product development competitions, is also supported.

- If possible, AS Harju Elekter participates in furnishing the technology and research laboratories of Tallinn University of Technology and participates in research and development projects.

- Harju Elekter supported the Prototron Junior project in autumn 2020. The product development manager of AS Harju Elekter Elektrotehnika mentored secondary school students in the field of product development within the scope of the project.

- Regular study trips are organised to the Estonian companies of the Harju Elekter Group and the company's employees contribute to the development of technological curricula with their knowledge and experience.

- The Estonian companies of the Group continue with its cooperation programmes with the Tallinn Vocational Education Centre, the TTK University of Applied Sciences, the Tallinn Polytechnic School and the Tallinn Construction School.

- The Lithuanian subsidiary Harju Elekter UAB constantly cooperates with the Panevežys Electrotechnical College and the Panevežys Vocational Training Centre, the Visaginas Technology and Business Vocational Education and Training Centre and Lithuanian Maritime Academy.

- The Finnish subsidiary Satmatic Oy has close relations with the technical and vocational collages operating in the region: Satakunna University of Applied Sciences, Tampere Technical University and Turku School of Economics.

- In 2020 the Group companies offered traineeships to 16 (2019: 52) young people. The Group's Estonian subsidiary AS Harju Elekter Elektrotehnika has offered the most traineeships.

We participate actively in the development of local life

AS Harju Elekter feels responsibility for the development of the company's operating region and increasing the welfare of the community. Therefore, the company has set itself the goal to support the studies of the children and young people in the region and to provide them with more leisure opportunities. AS Harju Elekter has long cooperation relations with Keila School, Keila Music School and the nursery schools, sports and hobby clubs of Keila.

We support and encourage young athletes

In terms of supporting sports, AS Harju Elekter has contributed the most to youth sports by increasing the popularity of sports through

consistent support. The Parent company supports the basketball, volleyball and football clubs of Keila. Youth projects represent support aimed at the future, the purpose of which is to work extensively and consistently with children and young people to contribute to the development of athletes who will be representing Estonia in the future.

We contribute to the development of the sector

It is important to the Group to also develop the society via professional associations and organisations and it contributes with its knowledge and the brain power of its people to the topics that stand for fair competition as well as sustainable and safe product solutions.

AS Harju Elekter and the Estonian Association of Electrical Enterprises (EAEE) continue to raise the issues of electrical safety in legislation as well as in the broader public domain.

The total volume of the scholarships and support programmes of the Harju Elekter Group in 2020 was 58.6 (2019: 75.3) thousand euros.

The Group companies are members of the following organisations:

Estonian Chamber of Commerce and Industry (AS Harju Elekter)

Estonian Association of Electrical Enterprises (AS Harju Elekter, AS Harju Elekter Elektrotehnika, Energo Veritas OÜ)

Federation of Estonian Engineering Industry (AS Harju Elekter Teletehnika)

Lithuanian Engineering Industries Association LINPRA (Harju Elekter UAB)

Panevežys Chamber of Commerce, Industry and Crafts (Harju Elekter UAB)

Finland Chamber of Commerce (Satmatic Oy)

Federation of Finnish Technology Industries (Satmatic Oy)

Cooperative for Collection and Recycling of Waste electrical and Electronic Equipment ELKER (Satmatic Oy)

Finnish Packaging Recycling RINKI (Satmatic Oy)

Finnish Service Sector Employers PALTA (Telesilta Oy)

Information about the Supervisory and Management Boards

As at 31 December 2020

Endel Palla

Chairman of the Supervisory Board

EDUCATION: Tallinn University of Technology, Electronics engineer

CAREER:

1999 –	Ch of the Supervisory Board of AS Harju Elekter
1983 – 1999	Harju Elekter, including 1991–1999 AS Harju Elekter CEO/Ch of the Management Board
1969 – 1983	Harju KEK, Production Manager

PARTICIPATION IN THE MANAGEMENT BODIES OF BUSINESS ORGANISATIONS:

Member of the Supervisory Board: AS Harju Elekter Elektrotehnika, AS Harju Elekter Teletehnika, AS Entek
Member of the Management Board: Satmatic Oy

Endel Palla owns 1,249,000 of Harju Elekter shares.
He has direct participation 7.04% and indirect participation 0.36%.

Andres Toome

Member of the Supervisory Board

EDUCATION: Tallinn University of Technology, Economics

CAREER:

1999 –	OÜ Tradematic, Manager
1992 – 1999	Estonian Bank, Estonian Investment Bank, Optiva Bank and Sampo Bank Estonia, Head of Investment Department

PARTICIPATION IN THE MANAGEMENT BODIES OF BUSINESS ORGANISATIONS:

Chairman of the Supervisory Board: OÜ Proformex
Member of the Supervisory Board: AS Harju KEK, AS Entek, AS KMV, AS Laagri Vara, OÜ KEK Kinnisvara, AS Tallinna Olümpiapurjespordikeskus
Member of the Management Board: Harju Elekter UAB, Harju Elekter AB, OÜ Tradematic, 30pluss OÜ, Hermes Worldwide OÜ

Andres Toome owns 30,000 of Harju Elekter shares.
He has direct participation 0.17% and indirect participation 0.34%.

Arvi Hamburg

Member of the Supervisory Board

EDUCATION: Tallinn University of Technology, Ph.D of Energy and Geotechnology

CAREER:

2012 –	European Engineer (EUR ING)
2003 –	Chartered Electrical Engineer
2018 –	Old Town Education College, Technology teacher
2017–2020	Tallinn University of Technology, Visiting Professor
2012–2016	Tallinn University of Technology, Professor, Dean of the Faculty of Power Engineering
2006–2020	Euroacademy, Lecturer, Professor
2006–2011	Tallinn University of Technology, a guest lecturer
2001–2011	Eesti Gaas, Councillor
1992–2001	Estonian Ministry of Economy, Deputy Chancellor, General Secretary
1990–1992	Estonian Industry and Energy Ministry, Deputy Minister
1987–1990	Eesti Energia, Vice President
1986–1987	Eesti Energiajärelvalve, Chief Engineer
1966–1986	Põhja Kõrgepingevõrgud, since 1982 Deputy director

PARTICIPATION IN THE MANAGEMENT BODIES OF BUSINESS ORGANISATIONS AND SOCIAL ACTIVITIES:

Chairman of the Board of Advisors of Tallinna Tehnikakõrgkool; Chairman of the Supervisory Board of Kehtna Vocational Education Center; Member of the Supervisory Board of AS Exomatic and SA Kutsekoda Tehnika, tootmine ja töötlemine; Head of the Energy Council of Estonian Academy of Sciences; Member of the Estonian National Committee in World Energy Council; Member of the scholarship council at HTM Haridus and Kristjan Jaagu program; Vice-Chairman of the Board of the Estonian Electric Power Society; Chairman of MTÜ Eesti Klubi Vanematekogu

Arvi Hamburg does not own Harju Elekter shares.

SUPERVISORY BOARD

Triinu Tombak

Member of the
Supervisory Board

EDUCATION: Tallinn University of Technology, Economics

CAREER:

2014– TH Consulting OÜ, Manager
2013–2019 Praxis think tank, Member of the Supervisory Board (incl. 2015-2017 Chairman of the Supervisory Board)
2001–2009 World Bank publishing department, Consultant, since 2006 Sales Manager of online databases and e-Library
1993–1998 Estonian Investment Bank, Optiva Bank; loan department, investment department

Triinu Tombak owns 15,000 of Harju Elekter shares.
She has direct participation 0.08%.She does not have indirect holdings.

Aare Kirsme

Member of the
Supervisory Board

EDUCATION: University of Tartu Law Institute, Faculty of Law

CAREER:

2012 – AS Harju KEK, Member of the Supervisory Board
2002 – 2011 AS Devest, Lawyer
2000 – 2013 AS Harju KEK, Legal Consultant
1998 – 1999 Estonian Land Board, Lawyer

PARTICIPATION IN THE MANAGEMENT BODIES OF BUSINESS ORGANISATIONS:

Ch of the Supervisory Board: AS Laagri Vara, OÜ KEK Kinnisvara
Member of the Supervisory Board: AS Harju KEK, AS KMV, AS Harju Elekter, OÜ Valdmäe tööstuspark
Member of the Management Board: OÜ Kirschmann, OÜ Devest Kaubandus, OÜ Silvertec

Aare Kirsme owns 228,250 of Harju Elekter shares.
He has direct participation 1.29% and indirect participation 0.17%.

MANAGEMENT BOARD

As at 31 December 2020

Tiit Atso

Chairman of the
Management Board

EDUCATION: Tallinn University of Technology, Master of Social Sciences (Urban and environmental economics)

CAREER:

2020– AS Harju Elekter, Chairman of the Management Board
2016–2020 AS Harju Elekter, CFO of the Group, Member of the Management Board
2015–2016 AS Harju Elekter, CFO of the Group
2014–2015 AS Harju Elekter, Chief Economist
2012–2014 AS Viru Keemia Grupp, Project Finance Manager

PARTICIPATION IN THE MANAGEMENT BODIES OF BUSINESS ORGANISATIONS:

Chairman of the Supervisory Board: AS Harju Elekter Elektrotehnika, AS Harju Elekter Teletehnika, Energo Veritas OÜ

Member of the Supervisory Board: OÜ Skeleton Technologies Group
Chairman of the Management Board: Harju Elekter UAB, Telesilta Oy, Harju Elekter AB, Harju Elekter Services AB
Vice Chairman of the Management Board: Satmatic Oy
Member of the Management Board Harju Elekter Kiinteistöt Oy

Tiit Atso does not own Harju Elekter shares.

Aron Kuhi-Thalfeldt

Member of the
Management Board

EDUCATION: Tallinn University of Technology, Master of Electrical Engineering

CAREER:

2016 – AS Harju Elekter, Member of the Management Board
2007 – AS Harju Elekter, Head of Real Estate and Energy Services Department
2003–2007 AS Harju Elekter, Construction and Energy Services Department Engineer

PARTICIPATION IN THE MANAGEMENT BODIES OF BUSINESS ORGANISATIONS:

Chairman of the Management Board: Harju Elekter Kiinteistöt Oy

Aron Kuhi-Thalfeldt owns 11,000 of Harju Elekter shares.
He has direct participation 0.06%. He does not have indirect holdings.

HEADS OF SUBSIDIARIES

As at 31 December 2020

Indrek Ulmas

AS Harju Elekter
Elektrotehnika
Managing Director

Alvar Sass

AS Harju Elekter
Teletehnika
Managing Director

Kristo Reinhold

Energo Veritas OÜ
Managing Director

Simo Puustelli

Harju Elekter Kiinteistöt Oy
Managing Director

Jan Osa

Satmatic Oy
Managing Director

Joonas Puustelli

Telesilta Oy
Managing Director

Mikael Schwartz Jonsson

Harju Elekter AB
Managing Director

Tomas Prūsas

Harju Elekter UAB
Managing Director

SENIOR EXECUTIVES

As at 31 December 2020

Ursula Joon
Lawyer

Kaarel Allikmäe
IT Manager

Taimi Kauler
HR Manager

Merili Pärnpuu
Financial Reporting Manager

Marit Tack
Corporate Communications and Investor Relations Manager

Tarmo Kikas
Internal Auditor

Andres Allikmäe
Business Development Manager

Consolidated financial statements

Consolidated statement of financial position

(EUR´000)	31.12.2020	31.12.2019
Current assets		
Cash and cash equivalents	2,843	4,878
Trade and other receivables	27,226	22,958
Prepayments	820	1,166
Inventories	18,856	19,010
Total current assets	**49,745**	**48,012**
Non-current assets		
Deferred tax assets	514	472
Non-current financial investments	11,918	10,494
Investment properties	23,605	21,259
Property, plant and equipment	22,494	20,402
Intangible assets	7,199	7,260
Total non-current assets	**65,730**	**59,887**
TOTAL ASSETS	**115,475**	**107,899**

(EUR´000)	31.12.2020	31.12.2019
Liabilities		
Borrowings	12,056	11,305
Prepayments from customers	4,182	2,212
Trade and other payables	15,837	16,448
Tax liabilities	2,871	2,959
Current provisions	34	34
Total current liabilities	**34,980**	**32,958**
Borrowings	7,032	7,901
Other non-current liabilities	66	64
Total non-current liabilities	**7,098**	**7,965**
Total liabilities	**42,078**	**40,923**
Equity		
Share capital	11,176	11,176
Share premium	804	804
Reserves	6,709	3,412
Retained earnings	54,858	51,699
Total equity attributable to owners of the Parent company	**73,547**	**67,091**
Non-controlling interests	-150	-115
Total equity	**73,397**	**66,976**
TOTAL LIABILITIES AND EQUITY	**115,475**	**107,899**

Consolidated statement of profit or loss

(EUR´000)	2020	2019
Revenue	146,614	143,397
Cost of sales	-125,405	-125,153
Gross profit	**21,209**	**18,244**
Distribution costs	-5,847	-5,706
Administrative expenses	-9,259	-9,229
Other income	707	255
Other expenses	-264	-291
Operating profit	**6,546**	**3,273**
Finance income	137	139
Finance expenses	-379	-225
Profit before tax	**6,304**	**3,187**
Income tax	-776	-820
Profit for the period	**5,528**	**2,367**
Profit is attributable to:		
Owners of the Parent company	5,563	2,460
Non-controlling interests	-35	-93
Earnings per share		
Basic earnings per share (EUR)	0.31	0.14
Diluted earnings per share (EUR)	0.31	0.14

Consolidated statement of comprehensive income

(EUR´000)	2020	2019
Profit for the period	**5,528**	**2,367**
Other comprehensive income (-loss)		
tems that subsequently may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	112	-84
Items that subsequently may not be reclassified to profit or loss:		
Gain on available-for-sale financial assets reclassified to profit or loss	80	116
Net proceeds from revaluation of financial assets	2,922	642
Total other comprehensive income (-loss) for the period	**3,114**	**674**
Total comprehensive income (-loss) for the period	**8,642**	**3,041**
Total comprehensive income (-loss) for the period is attributable to:		
Owners of the Parent company	8,677	3,134
Non-controlling interests	-35	-93

Consolidated statement of cash flows

(EUR´000)	2020	2019
Cash flows from operating activities		
Profit for the period	5,528	2,367
Adjustments		
Depreciation, amortization and impairment losses	3,794	3,518
Profit on sale of non-current assets	-21	-51
Share-based payments	263	189
Finance income	-137	-139
Finance expenses	379	225
Income tax	776	820
Changes		
Changes in trade receivables	-3,756	-803
Change in inventories	155	-1,543
Changes in trade payables	1,232	2,637
Corporate income tax paid	-916	-890
Interest paid	-299	-180
Total cash flow (-outflow) from operating activities	**6,998**	**6,150**
Cash flows from investing activities		
Payments for investment properties	-3,096	-1,110
Payments for property, plant and equipment	-4,566	-4,191
Payments for intangible assets	-300	-350
Payments for financial assets	-104	-730
Proceeds from sale of investment properties	5	0
Proceeds from sale of property, plant and equipment	33	125
Proceeds from sale of financial assets	1,681	578
Interests received	-3	8
Dividends received	91	140
Total cash flow (-outflow) from investing activities	**-6,259**	**-5,530**

(EUR´000)	2020	2019
Cash flows from financing activities		
Change in overdraft balance	-1,131	3,902
Proceeds from borrowings	3,151	2,913
Repayments of borrowings	-1,112	-989
Payments of principal or leases	-1,175	-1,275
Dividends paid	-2,484	-3,193
Income tax paid on dividends	-14	-169
Total cash flow (-outflow) from financing activities	**-2,765**	**1,189**
Total net cash flow (-outflow)	**-2,026**	**1,809**
Cash balance at the beginning of the period	**4,878**	**3,142**
Change in cash balances	-2,026	1,809
Effects of exchange rate differences	-9	-73
Cash balance at the end of the period	**2,843**	**4,878**

The yearbook is supplemented by AS Harju Elekter's Audited Annual Report for 2020, where additional information, descriptions of accounting principles and the GRI table of contents can be found.

Please find the year 2020 audited annual report of AS Harju Elekter here
https://harjuelekter.ee/wp-content/uploads/2021/03/Harju-Elekter-annual-report-2020.pdf

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