

Company AS Harju Elekter Group
Type Company Release
Category Other corporate action
Disclosure time 20 May 2022 11:29:41 +0300

Currency

Title Cancellation of the framework contracts for hermetic transformers with Enefit Connect OÜ

Energo Veritas OÜ, a subsidiary of AS Harju Elekter, has cancelled two (<https://view.news.eu.nasdaq.com/view?id=b285bcfc9e829a4f17bab1c7fa9b7e9c6&lang=en>) framework contracts with (<https://view.news.eu.nasdaq.com/view?id=b285bcfc9e829a4f17bab1c7fa9b7e9c6&lang=en>) Enefit (<https://view.news.eu.nasdaq.com/view?id=b285bcfc9e829a4f17bab1c7fa9b7e9c6&lang=en>) Connect OÜ for the supply of hermetic distribution transformers (<https://view.news.eu.nasdaq.com/view?id=b285bcfc9e829a4f17bab1c7fa9b7e9c6&lang=en>).

From 2021 onwards, change in the market situation in terms of price levels, availability of raw materials as well as delivery deadlines has made it difficult for Energo Veritas OÜ to comply with the framework contracts concluded with Enefit Connect OÜ on the agreed terms, and the war in Ukraine further aggravated it. During the negotiations, the parties have not reached an agreement on the modification of the terms of the framework contracts, which is why Energo Veritas OÜ does not consider it possible to continue with the performance of economically harmful framework contracts.

Enefit Connect OÜ has stated that it does not consider the cancellation of the framework contracts to be lawful and has informed Energo Veritas OÜ of its intention to claim a contractual penalty for the breach of the framework contracts as well as additional damages if the damages caused as a result of the cancellation exceed the contractual penalty.

More detailed information will be available once claims are received.

Harju Elekter is an international industrial group with more than 50 years of experience, whose main activity is the development and production of electrical and automation equipment. Part of the technical solutions of Harju Elekter are aimed at the renewable energy sector, offering complete plans for solar power plants, electric vehicle charging stations, and other related solutions. Its factories in Estonia, Finland, Sweden, and Lithuania employ approximately 900



specialists, and the Group's revenue for Q1 2022 was 37,3 million euros. The shares of Harju Elekter are listed on the Nasdaq Tallinn Stock Exchange.

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