TKM GRUPP

TKM Grupp AS

Consolidated Interim Report for the Second quarter and first 6 months of 2025

(unaudited)

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COMPANY PROFILE AND CONTACT DETAILS

The primary areas of activity of the companies of the TKM Grupp AS (hereinafter referred to as the ‘TKM Group’ or ‘the Group’) include retail and wholesale trade. The Group employs more than 4,700 employees.

The Company is listed on the Nasdaq Tallinn Stock Exchange.

Registered office:	Kaubamaja 1
	10143 Tallinn
	Republic of Estonia
Registry code:	10223439
Beginning of financial year:	1 January 2025
End of financial year:	31 December 2025
Beginning of interim report period:	1 January 2025
End of interim report period:	30 June 2025
Auditor:	PricewaterhouseCoopers AS
Telephone:	372 667 3300
E-mail:	info@tkmgrupp.ee

MANAGEMENT REPORT

Management

In order to manage the Group, the general meeting of the shareholders, held at least once in a year, elects supervisory board, which according to the articles of association may have 3 to 6 members. Members of Group supervisory board are elected for three years. Members of the Group supervisory board are Jüri Käo (chairman of the supervisory board), Enn Kunila, Kristo Anton, Gunnar Kraft and Meelis Milder. The mandates of supervisory board will expire on 19 May 2027. During the period between the general meetings the supervisory board plans actions of the company, organises management and accomplishes supervision over management actions. Regular supervisory board meetings are held at least 10 times in a year. In order to manage daily activities, the supervisory board appoints member(s) of the management board of the TKM Group in accordance with the Commercial Code. In order to elect a member of the management board, his or her consent is required. By the articles of association, a member of the management board shall be elected for a specified term of three years. Extension of the term of office of a member of the management board shall not be decided earlier than one year before the planned date of expiry of the term of office, and not for a period longer than the maximum term of office prescribed by the articles of association. Currently the management board of Group has one member. The term of office of the management board member Raul Puusepp was extended on 17 February 2023 and his term of office expires on 6 March 2026.

The law, the articles of association, decisions and goals stated by the shareholders and supervisory board are followed for managing the company. By Commercial Code a resolution on amendment of the articles of association shall be adopted, if at least two-third of the votes represented at a general meeting is in favour. A resolution on amendment of the articles of association shall enter into force as of making of a corresponding entry in the commercial register. The Group does not possess several classes of shares.

Structure of the company

The Group is reporting its economic activities under five operating segments as follows.

1. The operating segment of supermarkets is focused on the retail sales of food products and convenience goods.
2. The main area of activity of the department store segment is the retail sales of beauty and fashion products. The segment includes the retail sales of the department stores, as well as the beauty store chain.
3. The car trade segment is focused on the import and sale of cars and car spare parts, as well as sales and after-sales service.
4. The real estate segment is involved with the development, management and maintenance of the real estate owned by the Group and with rental of retail premises.
5. The principal activity of the security segment is the provision of security solutions.

The following companies belong to the Group as of June 30, 2025:

Selver supermarkets	Location	Shareholding as of 30.06.2025	Shareholding as of 31.12.2024
Selver AS	Estonia	100%	100%
Kulinaaria OÜ	Estonia	100%	100%
Department stores			
Kaubamaja AS	Estonia	100%	100%
TKM Finants AS	Estonia	100%	100%
OÜ TKM Beauty	Estonia	100%	100%
OÜ TKM Beauty Eesti	Estonia	100%	100%
Rävala Parkla AS	Estonia	50%	50%

Car trade	Location	Shareholding as of 30.06.2025	Shareholding as of 31.12.2024
TKM Auto OÜ	Estonia	100%	100%
KIA Auto AS	Estonia	100%	100%
AS Viking Motors	Estonia	100%	100%
SIA Forum Auto	Latvia	100%	100%
Verte Auto SIA	Latvia	100%	100%
Motus auto UAB	Lithuania	100%	0%
UAB KIA Auto (the former UAB Motus Auto)	Lithuania	100%	100%
Security segment			
Viking Security AS	Estonia	100%	100%
Walde AS	Estonia	100%	100%
Real estate			
TKM Kinnisvara AS	Estonia	100%	100%
OÜ TKM Kinnisvara Tartu	Estonia	100%	100%
SIA TKM Latvija	Latvia	100%	100%
TKM Lietuva UAB	Lithuania	100%	100%

Changes in structure

In May, a demerger process was initiated for UAB Motus Auto, the Lithuanian subsidiary of TKM Auto OÜ, which manages the car trade segment within TKM Grupp AS, by signing a demerger agreement. The purpose of the demerger was to separate the KIA and Škoda business lines. Based on the resolution approving the demerger, it was completed with the registration of the demerger in the Lithuanian Commercial Register on 28 May 2025. As a result of the demerger, the former UAB Motus Auto will continue its operations under the new name UAB KIA Auto, focusing on the sales and servicing of KIA vehicles. The Škoda business line will, as of 28 May 2025, be taken over from the beginning of July by a newly established subsidiary, which will use the historical company name UAB Motus Auto. The new entity will be wholly owned by TKM Auto OÜ.

<u>Share market</u>

Since 19 August 1997, the shares of the Group have been listed in the Baltic main list of the Nasdaq Tallinn Stock Exchange and is today the oldest listed company in the Baltics. The Group has issued 40,729,200 registered shares, each with the nominal value of 0.40 euros. The shares are freely transferable, no statutory restrictions apply. There are no restrictions on transfer of securities to the company as provided by contracts between the company and its shareholders. We do not have information about contracts between the shareholders restricting the transfer of securities. NG Investeeringud OÜ has direct significant participation. Shares granting special rights to their owners have not been issued.

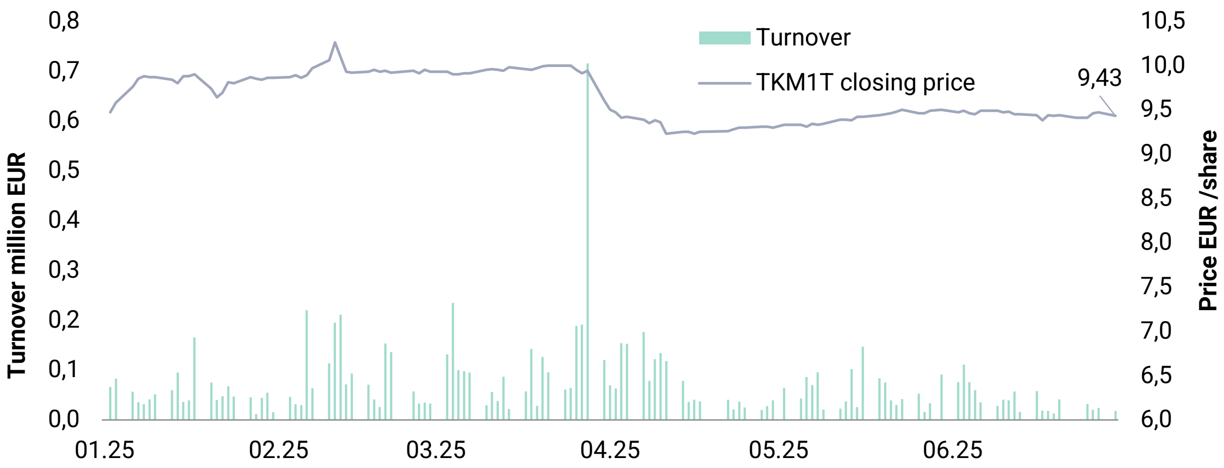
The council of the Group have no right to issue or buy back shares. In addition, there are no commitments between the company and its employees providing for compensation in mergers and acquisitions under article 19’ of Stock Market Trade Act.

The share with a price of 9.47 euros at the end of 2024 was closed in the end of June 2025 at the level of 9.43 euros, decreased by 0.4% over the six months.

According to the notice of regular annual general meeting of the shareholders published on 20 February 2025, the management board proposed to pay dividends 0.65 euros per share. The general meeting of shareholders approved it.

Share price and trading statistics on the Nasdaq Tallinn Stock Exchange from 01.01.2025 to 30.06.2025.

In euros



SHARE	Q2/25	Q2/24	H1/25	H1/24
Average number of shares (1000 pcs)	40,729.2	40,729.2	40,729.2	40,729.2
Equity capital per share (EUR/share)	5.77	5.95	5.77	5.95
Share's closing price (EUR/share)	9.43	9.50	9.43	9.50
Earnings per share (EUR/share)	0.16	0.24	0.00	0.21

Risks

Against the backdrop of a prolonged economic downturn and rising taxes, consumer purchasing behaviour has become significantly more rational and cautious. Although analysts remain cautiously optimistic about the recovery of the Estonian economy, there are still no signs of purchasing power rebounding. Consumers are increasingly opting for discounted goods. The Group's supermarkets segment has adjusted its pricing policy and image to better meet customers' expectations. In addition to local factors, the increasingly volatile international economic climate presents a growing risk, as it may influence Estonian consumer behaviour through global trade and further restrain economic growth.

Sustainable entrepreneurship

In the second quarter of 2025, the companies of the TKM Group continued to actively contribute to responsible business practices, community engagement and the development of their employees.

Selver supported Mother Tongue Day dictation through advertising on Selver's in-store radio, supporting the NGO Hiiumaa Football, Tallinn Polytechnic School's film festival, Hiiumaa football and volleyball clubs, FC Flora, the ice hockey club Tornaado and Selver TalTech VK. The Selver's Great Run was held in Rapla. Various community projects also received support, including Türi Cultural Centre, the Audentese kindergarten sports day, Viimsi Run, Kakumäe Community Association, Lääne-Harju Movement Series, Childhood Trauma Awareness Week events, Haapsalu Central Kindergarten, Kohila Gymnasium, Viljandi Family Day, Kurna Disc Golf, Kapa Rock, Jõgeva Spring Run, Põltsamaa River Marathon and the Maaritsa community. Mustamäe District Government's children's mornings were supported throughout the summer. Viking Motors contributed to the NGO Sports Events Organising Club, US Tennis Academy, FC Nõmme United football club and individual athletes Regina Ermits and Arlet Levandi.

Selver's Cultural Club partnered with various events, including Tallinn Music Week, Spring Blues, concerts by Pärnu City Orchestra, Kinomaja Live, Estonian Open Air Museum events, Sõru Jazz, Salmistu Summer Concerts and the MUBA Classical Gala.

Selver joined the President Kaljulaid Foundation's employer initiative "For a Violence-Free Workplace" to help prevent domestic violence and raise awareness among employees. The initiative provides employers with tools, training and expert support to create a work environment where people are able to recognise those in need and offer support. More information is available at www.vagivallavabaks.ee.

Kaubamaja marked Diversity Month by offering employees various development activities. Guided tours were organised in Tallinn's Old Town with Jaak Juske and in Tartu's Old Town with Katrin Kõpu. The Kaubamaja team participated in the inter-company step competition “Sammusõber 2025”, finishing in 12th place. In Tartu, a painting workshop was held, and in Tallinn, employees attended a perfume training session at the fragrance room. Under the leadership of the legal team, employees received training in resolving customer complaints. The “Moelõuna” fashion lunch video clip, dedicated to the Spring/Summer 2025 season, introduced employees to key trends. Tartu Kaubamaja employees completed first aid training, enhancing their knowledge and skills to help fellow citizens.

Kulinaaria successfully completed the re-certification audit of the ISO 22 000 food safety management system, confirming its high level of food safety standards.

Within the Group, the Management Development Programme 2024/2025 was finalised. The programme focused on analysing management styles, developing team and change management skills, sharing experiences and learning from one another. The goal was to cultivate knowledgeable and value-driven leaders who help shape an adaptable and evolving leadership culture. The programme included participants from KIA Auto AS, Viking Motors AS, TKM Grupp AS, TKM Beauty Eesti OÜ, Kaubamaja AS, Selver AS, Kulinaaria OÜ and Viking Security AS.

TKM Group remains committed to purposeful and long-term cooperation in supporting community initiatives and employee development.

Economic environment

According to Statistics Estonia, the Gross Domestic Product (GDP) decreased by 0.3% in the first quarter of 2025 compared to the same period last year. Although GDP had already returned to growth in the fourth quarter of 2024, the decline at the beginning of this year was caused by a reduction in vehicle sales following the introduction of the vehicle tax and by continued price pressures. On the positive side, the economy was supported by the information and communication sector, real estate activities, healthcare, and manufacturing. In contrast, the energy sector, transport, agriculture, and trade contributed negatively. Although the GDP decline early in the year signals a temporary setback in the recovery process, several positive developments still indicate economic improvement – industrial production and exports increased, electricity production and construction volumes grew, lending activity strengthened, the decline in employment slowed, and retail sales expanded. According to the latest economic forecast by Eesti Pank (the Bank of Estonia), economic growth is expected to reach 1.5% in 2025, followed by 2–3% growth in the next two years.

The recovery of the economy continues to be constrained by elevated inflation. According to Statistics Estonia, the consumer price index rose by 0.9% in June 2025 compared to May and by 5.0% compared to the same month of the previous year. On an annual basis, the prices of goods increased by 2.8%, and the prices of services by 8.4%. The largest contributors to the annual price increase were food products, which rose by 8.4%, and transport, which increased by 7.5%. At the same time, the price of electricity declined by 16.7%, and clothing and footwear became 4.1% cheaper. Compared to May, the CPI increase was primarily driven by higher prices for food and non-alcoholic beverages (1.2%) and sharp seasonal increases in the prices of services such as holiday travel and accommodation (27.7% and 27.3%, respectively). According to analysts’ estimates, the consumer price index is expected to increase by an average of 5.2% to 5.5% in 2025. Approximately half of the price growth will be driven by tax measures – in particular, the increase in VAT and excise duty rates as well as the introduction of vehicle registration and annual fees. The largest contributions to inflation come from food and transport prices, influenced respectively by higher global commodity prices and this year’s tax changes. The economic recovery is also supporting to stronger inflationary pressures. However, price growth is expected to slow in 2026 as the impact of tax measures fades and food price increases stabilize.

In 2025, household purchasing power is constrained by several factors: the income tax rate increase that entered into force at the beginning of the year reduces net income, rapid inflation erodes the value of money, and the increase in the VAT rate taking effect on 1 July raises the final prices of goods and services. As a result, the real income of wage earners declines, although falling interest rates help to partially offset this by lowering loan payments. According to Statistics Estonia, the average gross monthly wage in the first quarter of 2025 was €1,894, which is 8.8% higher than in the same period last year. Eesti Pank forecasts average wage growth of 6.6% for the current year. An improvement in purchasing power is expected in 2026, when the tax burden will ease due to the abolition of the so-called “tax hump” and inflation is projected to slow.

According to Statistics Estonia, the total retail turnover at current prices in Estonia grew by 0.2% in the first five months of 2025. The largest increase was recorded in retail trade in other specialised stores (24.7%). Over the five-month period, one of the steepest declines was seen in the retail sale of food, beverages and tobacco in specialised stores (-23.4%). Sales revenue in non-specialised stores (predominantly foodstuffs) rose by 2.9% in the first five months of the year. However, due to high price inflation, volume sales in this segment have been in decline since April 2022 and continue to decrease. According to AMTEL, a total of 6,156 new passenger cars were sold in Estonia during the first six months of this year – 40% fewer than in the same period last year, reflecting consumers’ response to the introduction of the car tax at the beginning of this year. In June, the decline was smallest (-14.5%) due to the VAT increase which took effect on 1 July.

Economic results

Financial ratios

In million euros EUR	Q2/25	Q2/24	Change %	H1/25	H1/24	Change %
Revenue	**232.8**	**237.3**	***-1.9%***	**447.8**	**458.8**	***-2.4%***
Selver supermarkets	155.7	150.3	*3.6%*	304.0	296.7	*2.5%*
Department stores	25.7	25.4	*1.0%*	48.4	49.4	*-2.0%*
Car trade	45.1	54.1	*-16.6%*	82.5	98.9	*-16.7%*
Security	4.4	5.7	*-24.1%*	9.0	10.3	*-12.8%*
Real estate	1.9	1.8	*9.5%*	3.9	3.4	*12.6%*
Gross profit margin%	*27.58%*	*27.73%*	*-0.5%*	*27.41%*	*27.29%*	*0.4%*
EBITDA	**20.0**	**23.3**	***-14.4%***	**34.4**	**40.1**	***-14.2%***
Selver supermarkets	6.4	8.6	*-25.1%*	10.2	12.9	*-21.0%*
Department stores	1.1	1.2	*-15.1%*	0.3	1.0	*-71.0%*
Car trade	2.2	4.0	*-44.0%*	3.5	6.9	*-49.4%*
Security	-0.1	0.2	*-144.7%*	0.0	0.3	*-118.5%*
Real estate	4.4	3.8	*15.1%*	8.5	7.9	*8.2%*
IFRS 16	6.0	5.5	*8.6%*	12.0	11.1	*7.4%*
margin	*8.58%*	*9.84%*	*-12.7%*	*7.68%*	*8.73%*	*-12.0%*
Operating profit	**9.4**	**12.9**	***-27.2%***	**13.0**	**19.0**	***-31.4%***
margin	*4.03%*	*5.42%*	*-25.8%*	*2.91%*	*4.14%*	*-29.7%*
Net profit	**6.6**	**9.9**	***-32.7%***	**0.1**	**8.4**	***-98.9%***
margin	*2.85%*	*4.16%*	*-31.4%*	*0.02%*	*1.82%*	*-98.9%*
Earnings per share (EUR)	**0.16**	**0.24**	***-32.7%***	**0.00**	**0.21**	***-98.9%***

Key ratios	**Q2/25**	**Q2/24**	**H1/25**	**H1/24**
Return on equity (ROE)	2.9%	4.2%	0.0%	3.6%
Return on assets (ROA)	1.0%	1.5%	0.0%	1.3%
Quick ratio	1.10	1.10	1.10	1.10
Debt ratio	0.65	0.64	0.65	0.64
Inventory turnover (multiplier)	1.72	1.81	3.31	3.52
Sales revenue per employee (in million euros euros)	0.049	0.050	0.094	0.096
Average number of employees	4,775	4,732	4,775	4,760

Return on equity (ROE)	*= Net profit / Average owners' equity * 100%*
Return on assets (ROA)	*= Net profit / Average total assets * 100%*
Quick ratio	*= Current assets / Current liabilities*
Debt ratio	*= Total liabilities / Balance sheet total*
Inventory turnover (multiplier)	*= Cost of goods sold / inventories*
Sales revenue per employee	*= Sales revenue / Average number of employees*

The Group's unaudited consolidated sales revenue for the second quarter of 2025 amounted to 232.8 million euros, representing a year-on-year decrease of 1.9%. Sales revenue for the first half of the year totalled 447.8 million euros, declining by 2.4% compared to the result for the first half of 2024, when sales revenue stood at 458.8 million euros. The Group's unaudited consolidated profit before tax for the second quarter of 2025 was 6.6 million euros, which was 32.7% lower than the profit recorded for the comparable period of the previous year. The Group's profit before tax for the first six months of 2025 was 7.9 million euros, falling short of the result for the comparable period by 5.8 million euros. Net profit for the first half of the year was 0.1 million euros, which includes a negative tax impact of 2.5 million euros due to the increase in income tax rates.

The second quarter and the entire first half of the year continued to be characterised by a challenging economic environment shaped by an unstable international political situation as well as domestic tax increases and cautious consumer spending. The Group's sales revenue in Estonia was notably affected by the car tax introduced at the beginning of the year, which resulted in a 40% decline in the new car market volume in Estonia during the first half of the year compared to the same period last year. Nevertheless, the decline in sales revenue for the Group's car segment companies operating in Estonia was limited to approximately one third. Overall, the car segment's sales revenue for the six-month period fell short of the previous year's level by 16.7%, as the negative impact was offset by stronger results from subsidiaries in Latvia and Lithuania. Consequently, the Group's total sales revenue also remained slightly below the previous year's level, although the sales revenue of the Selver supermarkets segment continued to grow, building on the momentum from the first quarter, and the sales revenue of the department stores segment also rose slightly above the previous year's figure. Growth in these segments was supported by successful marketing and promotional campaigns. The real estate segment also contributed to the increase in non-group sales revenue and was the only segment to achieve profit growth. The decline in revenue for the security segment resulted from the seasonal fluctuation in the volume of security equipment projects. The additional business areas acquired in the security segment in 2024, along with the other business segments, generated stable sales revenue.

The Group's segments were able to maintain their gross margin at a level comparable to that of the previous year, thanks to skilful inventory planning and well-considered campaign management. However, the decline in gross profit resulting from lower revenue, the increase in staff costs, and the payment of corporate income tax at a higher rate in the first half of the year brought the Group's half-year profit to its lowest level in recent years, although the EBITDA for the first half of the year was the fourth highest on record, exceeding the result for the comparable period in 2021. A decrease in EURIBOR rates provided relief of 0.8 million euros in finance costs from interest on bank loans and leases compared to the previous year, but the additional interest expense arising from the revised IFRS 16 calculation added 0.6 million euros, which almost entirely offset the positive impact of the interest rate reduction. The Group's staff costs increased by 5.2%, while the total number of employees rose by 0.3%. One measure to optimise staff costs is the improvement of the supply chain in cooperation with the Group's logistics centre, which also helps to boost the internal efficiency of trading processes. The updated KIA Sportage, which is among the Group's most popular models, has reached the Baltic market, supporting the recovery of the car segment. A positive impact is also being provided by the growing demand for electric and hybrid vehicles, with the model range set to expand in the coming months with the addition of the new KIA EV4 and the electric van PV5.

In the first quarter of 2025, renovation works were carried out on two floors of the Children's World department in the Kaubamaja Tallinn store, and in March the completely redesigned Children's World was opened. The addition of new brands and a lifestyle-based layout attracted a significant number of new customers to the Children's World in March. In the department stores segment, development work commenced to upgrade the I.L.U. e-store to a new platform and quality standard, with completion scheduled for the third quarter. The Group's Lithuanian real estate company is continuing with the construction of a new KIA and Škoda showroom and service centre in Vilnius, aimed at supporting the expansion of the Group's car segment in the Lithuanian market. Preparatory work has begun in Estonia for the construction of a new bodywork workshop adjacent to the Peetri car dealership. Several store renovation projects have also been initiated this year, with the aim of aligning the buildings with current business needs and increasing their energy efficiency. In the second half of this year, the renovation of Jõgeva Selver is planned, in addition to preparations already underway for the development of the new Pärnu Papiniidu Selver, scheduled to open in 2026, and the expansion of Laulasmaa Selver.

Preparatory activities are ongoing for the refurbishment of the Kaubamaja Tallinn department store. The development is based on the winning entry "City Break" from the architectural competition held in cooperation with the City of Tallinn and the Union of Estonian Architects. To realise the project, it has been agreed with the City of Tallinn that a new detailed planning procedure will be carried out. The developers and the City of Tallinn have agreed that the detailed planning procedure will be prioritised and implemented with minimal time expenditure in accordance with the statutory deadlines.

At the end of the reporting period, the number of loyal customers exceeded 749,000, growing by 1.6% over the year. The share of loyal customers in the Group's turnover was 86.6% in the first half of 2025 (86.3% in the first half of 2024). Development of customer convenience services within the Partner Card App will continue; to date, the app has already replaced the physical plastic card for more than 300,000 loyal customers.

As of 30 June 2025, the Group's total assets amounted to 667.8 million euros, a decrease of 6.9% compared to the end of 2024, excluding the impact of IFRS 16.

Selver supermarkets

The consolidated sales revenue of the Selver supermarkets segment for the second quarter of 2025 amounted to 155.7 million euros, representing an increase of 3.6% compared to the same period of the previous year. The consolidated sales revenue for the six-month period totalled 304.0 million euros, marking a 2.5% growth year on year. The average monthly sales revenue from goods per square metre of selling space in the second quarter of 2025 was 0.41 thousand euros, increasing by 0.9% in total and by 2.2% for comparable stores. The average monthly sales revenue from goods per square metre of selling space for the first six months of 2025 was 0.4 thousand euros both in total and for comparable stores. The figure was the same for the corresponding period of the previous year. The growth in sales area efficiency in the second quarter brought the sales area efficiency for the first half of 2025 back to the level recorded in 2024. A total of 22.1 million purchases were made in stores during the first half of 2025, which is 1.8% more than in the corresponding period of the previous year.

The profit before tax and net profit for the second quarter of 2025 were both 3.4 million euros, which is 1.8 million euros less than in the base period. The consolidated profit before tax for the supermarkets segment for the first six months of 2025 was 4.0 million euros, falling short of the comparative base by 2.2 million euros. The net profit for the six-month period was 3.5 million euros, declining by 1.1 million euros compared to the previous year. The difference between net profit and profit before tax is attributable to income tax paid on dividends – this year, income tax on dividends was 1.0 million euros lower than in the previous year. The comparative figures do not include the data for the Raadi and Rocca al Mare Selver stores opened in the third quarter of 2024 but do include the data for the Maardu Selver, which was closed in February this year.

The sales performance of Selver in the second quarter has been affected by the general situation in the Estonian retail market, the weakened purchasing power of customers and more subdued seasonal goods sales due to cooler weather conditions. The volume of sales in food and convenience stores continues to decline, reflecting consumer behaviour trends across the sector. The VAT increase to be implemented from July will further erode already low consumer confidence. The prices of food and production inputs continue to rise, driven by both global and local factors, and it is impossible for retailers to avoid passing these increases on to end prices.

The financial results for the second quarter of 2025 were impacted by the decline in sales volumes and a decrease in the gross margin on the sale of goods due to a higher proportion of campaign products. This year’s operating cost base has increased due to one-off expenses related to new stores and the closure of the Maardu store. However, the Group has successfully managed the pressure from rising input prices for various services and materials and optimised expenditure levels, enabling operational efficiency ratios to be maintained at the same level as last year. Pressure on wage costs and the slower growth of sales revenue relative to wage growth have resulted in a slight decline in labour efficiency.

Selver plans to renovate the Jõgeva Selver in the second half of this year. As part of the renovation, the store’s sales area will be expanded and more environmentally sustainable solutions will be implemented. Across the segment, continued focus remains on the product assortment and the optimisation of processes. To adapt even better to changed customer demand, Selver added the Scandinavian white-label brand First Price to its assortment in the first half of the year, which is available exclusively at Selver and Delice. The First Price range represents affordable pricing and reliable Scandinavian quality and broadens the selection of the most competitively priced everyday products. In 2025, full use will be made of the logistics centre established in Maardu in 2024 within the supply chain. There will also be a continued focus on increasing activity on the Bolt Market and Wolt platforms and on developing the Selver e-store. At the beginning of this year, Selver’s e-store was chosen as the public’s favourite grocery and convenience goods shop in a public vote organised by the Estonian E-Commerce Association. In April, Selver joined the ‘For a Violence-Free Life’ initiative, led by the President Kaljulaid Foundation, which unites employers in taking action against domestic violence. In 2026, one new store is planned to be opened – the Papiniidu Selver in Pärnu – and the Laulasmaa Selver in Harjumaa will be expanded and renovated. Preparatory activities for both projects have already commenced.

The supermarkets segment continues to operate responsibly and with a commitment to sustainability, with the aim of continuously improving its activities to reduce environmental impact. To increase environmental sustainability, a new waste collection system has been developed and introduced to raise the proportion of waste that is recycled, thereby reducing the environmental impact of our operations. In our refrigeration systems, we have begun to introduce more environmentally friendly refrigerants with very low global warming potential, helping to reduce our carbon footprint. For Kulinaaria’s production, packaging and its use remain a key area of focus. In product development, alongside maintaining high product quality, significant attention is given to reducing the salt, sugar and fat content of products.

As at the end of June, the supermarket segment comprised 72 Selver stores, 2 Delice stores, the mobile store and a café, with a total sales area of 123.8 thousand m². This is in addition to e-Selver, Estonia's e-store with the largest service area, and the central kitchen Kulinaaria OÜ.

Department stores

The sales revenue of the department stores segment for the second quarter of 2025 amounted to 25.7 million euros, representing a 1.0% increase compared to the corresponding period of the previous year. No profit was generated in the second quarter, resulting in a shortfall of 0.2 million euros compared to the result for the corresponding period of the previous year. The six-month sales revenue totalled 48.4 million euros, which is 2.0% lower than for the same period last year. The department stores segment recorded a pre-tax loss of 1.7 million euros for the first six months of 2025, which is 0.7 million euros weaker than the result for the previous year.

The average sales revenue of the department stores per square metre of selling space for the six-month period was 0.30 thousand euros per month, down 1.8% year on year. The cooling economic climate continued for the second consecutive quarter, with various campaigns performing well as a result. The Spring 'Osturalli' campaign proved highly successful, marking the second best result in the campaign's history and contributing positively to the second quarter's sales revenue. Unfortunately, neither a milder winter nor one of the coldest summers have had the expected effect on seasonal goods sales. On the other hand, Kaubamaja's stock situation is better than in the previous year, which meant there was no need for extensive discounting. In grocery retail, a product range that stands out from competitors has continued to attract new loyal customers to Toidumaailm stores, with sales results exceeding expectations. In the early months of the year, renovation works were carried out on two floors of the Tallinna Lastemaailm department, and in March the fully renewed department with a new concept was opened. New brands and lifestyle-based displays were introduced, generating lively interest among customers. Exclusive special collections available only at Kaubamaja have also attracted positive attention and performed well – including the anniversary collection in collaboration with Lilli Jahilo and the Konges Slojd children's collection, available exclusively in Estonia at Kaubamaja. In the first half of the year, customer interest in the e-store grew significantly compared to the previous period, with growth figures in the double digits.

The sales revenue of OÜ TKM Beauty Eesti, which operates the I.L.U. cosmetics stores, was 1.9 million euros for the second quarter of 2025, declining by 2.9% compared to the same period in 2024. The second-quarter loss was 0.1 million euros, which is 0.1 million euros lower than the result for the comparable period in 2024. The sales revenue for the first half of 2025 was 3.7 million euros, down 4.8% year on year. The loss for the first half of 2025 was 0.1 million euros, which is 0.2 million euros lower than for the same period in 2024. Overall consumer confidence remained low and continued to impact sales performance. Despite several successful campaigns that maintained customer footfall at the same level as in the previous period, meeting sales targets on regular days remains a challenge. Customers now plan their visits to shopping centres and their purchases carefully, paying particular attention to the timing of promotional campaigns.

Car trade

The sales revenue of the car segment for the second quarter of 2025 amounted to 45.1 million euros, which was 16.6% lower than in the same period of the previous year. The pre-tax profit for the second quarter of 2025 was 1.6 million euros, which was 1.7 million euros weaker than the profit for the same period last year. The segment's sales revenue for the first six months totalled 82.5 million euros, representing a 16.7% decrease compared to the same period of the previous year. The pre-tax profit for the first half of the year was 2.3 million euros, falling short of last year's result by 3.3 million euros. In the second quarter, 1,403 new vehicles were sold. A total of 2,433 new vehicles were sold in the first half of the year, which was 23.3% fewer than in the previous year.

The sales revenue of the car segment was significantly affected by the car tax introduced in Estonia at the beginning of the year, which led to a 40% reduction in the volume of the new car market in Estonia in the first half of the year compared to the same period last year. Nevertheless, the decline in sales revenue for the Group's Estonian car businesses was limited to approximately one third. Overall, the car segment's six-month sales revenue was down 16.7% year on year, with the negative impact offset by stronger performance from the Group's Latvian and Lithuanian subsidiaries. Despite the decline in the Estonian market, the Group's pan-Baltic business model enables the diversification of risks and helps maintain the car segment's profitability, although KIA sales have been more modest while awaiting new models. The updated KIA Sportage, which is among the Group's most popular models, has now arrived on the Baltic market and is supporting the recovery of the car segment. Further positive momentum is being provided by the growing demand for electric and hybrid vehicles, with the model range to be expanded in the coming months with the new KIA EV4 and the electric van PV5.

Construction of the KIA–Škoda multi-brand dealership in Vilnius, Lithuania, is progressing as planned. In Estonia, Viking Motors' new flagship KIA sales and service centre opened its doors at the beginning of the year on the outskirts of Tallinn in Peetri. Work has also commenced on the construction of a body repair workshop adjacent to the Peetri dealership.

Security segment

The non-group sales revenue of the security segment for the second quarter of 2025 amounted to 4.4 million euros, declining by 24.1% compared to the same period of the previous year. The pre-tax loss for the segment in the second quarter totalled 0.3 million euros, which was 0.3 million euros weaker than in the same period last year. The non-group sales revenue for the security segment for the first half of 2025 was 9.0 million euros, decreasing by 12.8% year on year. The pre-tax loss for the first six months of the segment was 0.4 million euros, 0.3 million euros weaker than for the same period last year.

Following last year's exceptionally strong growth base of 63%, the second quarter of this year was considerably weaker. The negative impact of the economic environment has increasingly affected all areas of activity through clients, reflected in both a reduction in volumes and pressure on profit margins. Managing the continued rise in input costs remains a challenge. The results in the security technology projects field fell the most, mainly due to seasonal fluctuations in project volumes. On the positive side, the technical surveillance portfolio continued to grow. The company remains focused on improving efficiency and increasing sales activity.

Real estate

The non-group sales revenue of the real estate segment for the second quarter of 2025 amounted to 1.9 million euros, representing an increase of 9.5% compared to the same period of the previous year. The non-group sales revenue for the first six months was 3.9 million euros, rising by 12.6% year on year. The pre-tax profit for the segment in the second quarter totalled 2.4 million euros, an increase of 39.0% compared to the reference period. The pre-tax profit for the first six months of 2025 was 4.6 million euros, up by 17.6%.

The growth in sales revenue in the first half of the year was largely supported by the addition of rental income from the logistics centre that commenced operations at the end of last year. The logistics centre has been leased to a non-group entity. At the beginning of the year, a new tenant, the Vapiano restaurant, opened in the Viimsi Centre, which boosted the centre's footfall. Sales revenue declined in the Latvian real estate company due to the sale of the Rezekne and Ogre commercial properties to non-group entities at the end of last year and the sale of the Kuldiga and Salaspils properties at the beginning of this year. The results for the reference period included the loss on the sale of the Punane Selver building, which was sold in April 2024. The segment's profit growth was supported by lower borrowing costs.

The Lithuanian real estate company commenced construction last year of a new KIA and Škoda dealership and service building in Vilnius. In Estonia, work has begun on the construction of a body repair workshop next to the KIA sales and service centre in Peetri. In addition, several store renovation projects are being prepared with the aim of modernising the buildings to meet current business needs, including improving energy efficiency.

Personnel

The Group's average number of employees in the second quarter of 2025 was 4,775, representing an increase of 0.9% compared to the same period in 2024. The average number of employees for the first half of the year was likewise 4,775, up 0.3% year on year. Total labour costs (including wages and social security expenses) for the second quarter of 2025 amounted to 29.2 million euros, increasing by 6.6% compared to the previous year. Labour costs for the first half of the year were 57.5 million euros, marking a 5.2% increase compared to the same period last year.

Approval of the chairman of the management board and signature to the report

The chairman of the management board confirms that the management report gives a true and fair overview of the most important events during the reporting period and their effects on the accounting report; it includes a description of the main risks and uncertainties during the remaining financial year and reflects transactions with related parties.

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Raul Puusepp
Chairman of the Management Board

Tallinn, 9 July 2025

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT BOARD’S CONFIRMATION TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Management Board confirms the correctness and completeness of TKM Grupp AS condensed consolidated interim financial statements (unaudited) for the period of second quarter and first 6 months of 2025 as set out on pages 14-36.

The Chairman of the Management Board confirms that:

1. the accounting policies used in preparing the interim financial statements are in compliance with International Financial Reporting Standard as adopted in the European Union;
2. the interim financial statements give a true and fair view of the financial position. the results of the operations and the cash flows of the Parent and the Group;
3. TKM Grupp AS and its subsidiaries are going concerns.

Raul Puusepp
Chairman of the Management Board

Tallinn, 9 July 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros

	Note	30.06.2025	31.12.2024
ASSETS			
Current assets			
Cash and cash equivalents	2	20,820	45,454
Trade and other receivables	3	20,230	30,310
Inventories	5	98,321	97,091
Total current assets		**139,371**	**172,855**
Non-current assets			
Long-term receivables and prepayments	8	234	235
Investments in associates	7	1,851	1,733
Investment property	9	76,629	81,284
Property, plant and equipment	10	423,513	424,794
Intangible assets	11	26,226	25,785
Total non-current assets		**528,453**	**533,831**
TOTAL ASSETS		**667,824**	**706,686**
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	12	25,686	44,436
Trade and other payables	13	101,425	110,997
Total current liabilities		**127,111**	**155,433**
Non-current liabilities			
Borrowings	12	295,811	279,958
Trade and other payables	13	1,305	1,285
Deferred tax liabilities	14	7,939	7,939
Provisions for other liabilities and charges		516	543
Total non-current liabilities		**305,571**	**289,725**
TOTAL LIABILITIES		**432,682**	**445,158**
Equity			
Share capital	15	16,292	16,292
Statutory reserve capital		2,603	2,603
Revaluation reserve		110,812	112,167
Retained earnings		105,435	130,466
TOTAL EQUITY		**235,142**	**261,528**
TOTAL LIABILITIES AND EQUITY		**667,824**	**706,686**

The notes presented on pages 19 to 36 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of euros

	Note	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Revenue	16	232,846	237,323	447,780	458,826
Other operating income		292	341	621	550
Cost of merchandise	5	-168,625	-171,511	-325,049	-333,601
Service expenses	17	-15,102	-14,956	-30,853	-30,218
Staff costs	18	-29,218	-27,398	-57,521	-54,692
Depreciation, amortisation and impairment losses	10,11	-10,607	-10,467	-21,373	-21,077
Other expenses		-208	-458	-576	-790
Operating profit		**9,378**	**12,874**	**13,029**	**18,998**
Finance income		75	76	354	329
Finance costs		-2,877	-3,142	-5,586	-5,790
Finance income on shares of associates accounted for using the equity method	7	62	61	118	133
Profit before tax		**6,638**	**9,869**	**7,915**	**13,670**
Income tax expense	15	-1	-1	-7,827	-5,313
NET PROFIT FOR THE FINANCIAL YEAR		**6,637**	**9,868**	**88**	**8,357**
Other comprehensive income: *Items that will not be subsequently reclassified to profit or loss*					
Other comprehensive income for the financial year		**0**	**0**	**0**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**6,637**	**9,868**	**88**	**8,357**
Basic and diluted earnings per share (euros)	19	0,16	0.24	0,00	0.21

Net profit and total comprehensive income are attributable to the owners of the parent.

The notes presented on pages 19 to 36 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros

	Note	6 months 2025	6 months 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		88	8,357
Adjustments:			
Income tax on dividends	15	7,824	5,313
Interest expense		5,586	5,790
Interest income		-354	-329
Depreciation, amortisation	10, 11	21,345	21,057
Loss on write-off property, plant and equipment	10	28	20
Profit/loss on sale of property, plant and equipment	10	-21	241
Effect of equity method	7	-118	-133
Interest paid on lease liabilities	12	-2,721	-2,119
Change in inventories		-2,225	2,659
Change in receivables and prepayments related to operating activities		10,081	342
Change in liabilities and prepayments related to operating activities		-9,533	-10,268
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**29,980**	**30,930**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	-8,513	-16,146
Proceeds from sale of property, plant and equipment	10	357	1,936
Purchase of investment property	9	-425	-62
Proceeds from sale of investment property	9	5,080	0
Purchase of intangible assets	11	-797	-1,228
Interest received		354	329
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES		**-3,944**	**-15,171**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	12	7,371	25,294
Repayments of borrowings	12	-10,923	-8,062
Change in overdraft balance	12	-545	-2,765
Payments of principal or leases	12	-9,244	-9,020
Dividends paid	15	-26,473	-29,324
Income tax on dividends paid	15	-7,824	-5,312
Interest paid		-3,032	-3,863
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES		**-50,670**	**-33,052**
TOTAL CASH FLOWS		**-24,634**	**-17,293**
Cash and cash equivalents at the beginning of the period	2	45,454	42,064
Cash and cash equivalents at the end of the period	2	20,820	24,771
Net change in cash and cash equivalents		**-24,634**	**-17,293**

The notes presented on pages 19 to 36 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

In thousands of euros

	Share capital	Statutory reserve capital	Revaluation reserve	Retained earnings	Total
Balance as of 31.12.2023	**16,292**	**2,603**	**116,521**	**127,960**	**263,376**
Net profit for the reporting period	0	0	0	8,357	8,357
Total comprehensive loss for the reporting period	**0**	**0**	**0**	**8,357**	**8,357**
Reclassification of depreciation of revalued land and buildings	0	0	-3,000	3,000	0
Dividends paid	0	0	0	-29,325	-29,325
Total transactions with owners	**0**	**0**	**0**	**-29,325**	**-29,325**
Balance as of 30.06.2024	**16,292**	**2,603**	**113,521**	**109,992**	**242,408**
Net profit for the reporting period	0	0	0	27,477	27,477
Total comprehensive income for the reporting period	**0**	**0**	**0**	**27,477**	**27,477**
Reclassification of depreciation of revalued land and buildings	0	0	-4,354	4,354	0
Dividends paid	0	0	0	-29,325	-29,325
Total transactions with owners	**0**	**0**	**0**	**-29,325**	**-29,325**
Balance as of 31.12.2024	**16,292**	**2,603**	**112,167**	**130,466**	**261,528**
Net profit for the reporting period	0	0	0	88	88
Total comprehensive loss for the reporting period	**0**	**0**	**0**	**88**	**88**
Reclassification of depreciation of revalued land and buildings	0	0	-1,355	1,355	0
Dividends paid	0	0	0	-26,474	-26,474
Total transactions with owners	**0**	**0**	**0**	**-26,474**	**-26,474**
Balance as of 30.06.2025	**16,292**	**2,603**	**110,812**	**105,435**	**235,142**

Additional information on share capital and changes in equity is provided in Note 15.

The notes presented on pages 19 to 36 form an integral part of these consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS

Note 1. Accounting Principles Followed upon Preparation of the Condensed consolidated Interim Accounts

General Information

TKM Grupp AS ('the Company') and its subsidiaries (jointly 'TKM Group' or 'the Group') are companies engaged in rendering services related to retail sale and rental activities in Estonia, Latvia and Lithuania. TKM Grupp AS is a company registered on 18 October 1994 in the Republic of Estonia with the legal address of Kaubamaja 1, Tallinn. The shares of TKM Grupp AS are listed on the NASDAQ Tallinn Stock Exchange. The majority shareholder of TKM Grupp AS is OÜ NG Investeeringud, the majority owner of which is NG Kapital OÜ. NG Kapital OÜ is an entity with ultimate control over TKM Grupp AS.

Basis for Preparation

The Condensed Consolidated Interim Accounts of TKM Group has been prepared in accordance with the International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed consolidated interim financial statements do not contain all the information that has to be presented in the annual financial statements, and they should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The presentation currency of TKM Group is euro. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of each of the Group's entities is euro.

All amounts disclosed in the financial statements have been rounded to the nearest thousand unless referred to otherwise.

The Manager is of the opinion that the Condensed Consolidated Interim Report of TKM Group for the second quarter and first 6 months of 2025 gives a true and fair view of the Company's performance in accordance with the going-concern concept.

This Condensed Consolidated Interim Report has not been audited or otherwise reviewed by auditors.

Note 2. Cash and cash equivalents

in thousands of euros

	30.06.2025	31.12.2024
Cash on hand	1,022	1,243
Bank accounts	18,817	5,065
Overnight deposit	0	37,967
Cash in transit	981	1,179
Total cash and cash equivalents	**20,820**	**45,454**

Note 3. Trade and other receivables

in thousands of euros

	30.06.2025	31.12.2024
Trade receivables (Note 4)	16,872	25,239
Other short-term receivables	456	397
Total financial assets from balance sheet line “Trade and other receivables”	**17,328**	**25,636**
Prepayment for goods	535	3,353
Other prepaid expenses	2,283	1,236
Prepaid rental expenses	12	12
Prepaid taxes (Note 14)	72	73
Total trade and other receivables	**20,230**	**30,310**

Note 4. Trade receivables

in thousands of euros

	30.06.2025	31.12.2024
Trade receivables	14,872	21,320
Allowance for doubtful receivables	-125	-128
Receivables from related parties (Note 20)	349	792
Credit card payments (receivables)	1,776	3,255
Total trade receivables	**16,872**	**25,239**

Note 5. Inventories

in thousands of euros

	30.06.2025	31.12.2024
Goods purchased for resale	97,589	96,291
Tare and materials	732	800
Total inventories	**98,321**	**97,091**

The income statement line “Cost of merchandise” includes the allowances and write-off expenses of inventories and inventory stocktaking deficit as follows:

in thousands of euros

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Write-down and write-off of inventories	3,181	3,069	6,759	6,542
Inventory stocktaking deficit	1,011	1,162	1,772	1,701
Total materials and consumables used	**4,192**	**4,231**	**8,531**	**8,243**

Aging of inventory and seasonal nature of fashion items is used as basis for write down of inventories.

Note 6. Subsidiaries

TKM Group consists of:

Name	Location	Area of activity	Ownership 30.06.2025	Year of acquisition or foundation
Selver AS	Estonia, Tallinn	Retail trade	100%	1995
TKM Kinnisvara AS	Estonia, Tallinn	Real estate management	100%	1999
TKM Kinnisvara Tartu OÜ	Estonia, Tartu	Real estate management	100%	2004
SIA TKM Latvija	Latvia, Riga	Real estate management	100%	2006
TKM Auto OÜ	Estonia, Tallinn	Commercial and finance activities	100%	2007
KIA Auto AS	Estonia, Tallinn	Wholesale trade	100%	2007
Forum Auto SIA	Latvia, Riga	Retail trade	100%	2007
KIA Auto UAB	Lithuania, Vilnius	Retail trade	100%	2007
TKM Beauty OÜ	Estonia, Tallinn	Retail trade	100%	2007
TKM Beauty Eesti OÜ	Estonia, Tallinn	Retail trade	100%	2007
Kaubamaja AS	Estonia, Tallinn	Retail trade	100%	2012
Kulinaaria OÜ	Estonia, Tallinn	Centre kitchen activities	100%	2012
Viking Motors AS	Estonia, Tallinn	Retail trade	100%	2012
Viking Security AS	Estonia, Tallinn	Security activities	100%	2014
UAB TKM Lietuva	Lithuania, Vilnius	Real estate management	100%	2017
Verte Auto SIA	Latvia, Riga	Retail trade	100%	2017
TKM Finants AS	Estonia, Tallinn	Commercial and finance activities	100%	2020
Walde AS	Estonia, Tallinn	Security activities	100%	2023
Motus Auto UAB	Lithuania, Vilnius	Retail trade	100%	2025

In May, a demerger agreement was signed to initiate the demerger of UAB Motus Auto, the Lithuanian subsidiary of TKM Auto OÜ, which manages the Group’s car trade segment. The purpose of the demerger was to separate the KIA and Škoda business lines, and this was completed on the basis of the demerger resolution, with the demerger entered in the Lithuanian Business Register on 28 May 2025. As a result of the demerger, the existing UAB Motus Auto will continue its operations under the name UAB KIA Auto, focusing on the sale and servicing of KIA vehicles. As of 28 May 2025, the Škoda business line will be taken over by a newly established subsidiary, which will use the name UAB Motus Auto, a name already previously in use. The new company is wholly owned by TKM Auto OÜ.

The separation of the Škoda dealership and service business line will allow for more efficient focus on operations and thus achieve better results. TKM Group's strategic goal is to continue to expand in the automotive trade, focusing on developing the sales and service network of KIA and other car brands in the Baltic States, where the segment is the Group's second largest in terms of sales revenue and profit.

In 2025 and 2024, there were no business combinations.

Note 7. Investments in associates

in thousands of euros

TKM Grupp AS has ownership of 50% (2024: 50%) interest in the entity AS Rävala Parkla which provides the services of a parking house in Tallinn. The investment has been classified as associated company because the other owner has the power to appoint the members of supervisory board.

	30.06.2025	31.12.2024
Investment in the associate at the beginning of the year	**1,733**	**1,732**
Profit for the reporting period under equity method	118	281
Dividends received	0	-280
Investment in the associate at the end of the accounting period	**1,851**	**1,733**

Financial information about the associate Rävala Parkla AS (reflecting 100% of the associate):

	30.06.2025	31.12.2024
Current assets	433	227
Property, plant and equipment	3,331	3,350
Current liabilities	61	115
Owners' equity	3,703	3,462

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Revenue	145	142	290	285
Net profit	125	125	241	248

Note 8. Long-term receivables and prepayments

in thousands of euros

	30.06.2025	31.12.2024
Prepaid rental expenses	197	206
Deferred tax asset	24	24
Other long-term receivables	13	5
Total long-term trade and other receivables	**234**	**235**

Note 9. Investment property

in thousands of euros

in thousands of euros	
Carrying value as at 31.12.2023	**64,971**
Purchases and improvements	510
Reclassification from property, plant and equipment (Note 10)	21,799
Disposals	-8,425
Net profit from fair value adjustment	2,429
Carrying value as at 31.12.2024	**81,284**
Purchases and improvements	425
Disposals	-5,080
Carrying value as at 30.06.2025	**76,629**

Investment properties comprise with commercial buildings and constructions in progress in Estonia and Latvia, which the Group maintains predominantly for earning rental income and which are partially classified as investment properties and partially as property, plant and equipment.

The cost of investments for the 6 months of 2025 amounted to 425 thousand euros (2024: 510 thousand euros).

During the reporting period, construction work was carried out on Estonian investment property objects, the logistics centre in the amount of 129 thousand euros, in the Viimsi Centre in the amount of 278 thousand euros and renovation work was carried out in the Tartu Kaubamaja centre in the amount of 18 thousand euros.

In 2024, construction work was carried out on the Estonian real estate object in the Viimsi Centre in the amount of 7 thousand euros and in Tartu Kaubamaja Centre renovation works were carried out to update the commercial spaces on the 0th floor and the third floor in the amount of 490 thousand euros. In 2024, Latvian real estate objects were renovated in the amount of 5 thousand euros in Kuldiga and in the amount of 8 thousand euros in Salaspils.

In 2024, the logistics centre completed in the fall, located at Paemurru str 1, Maardu city, in the amount of 21,799 thousand euros, was classified from property, plant and equipment to investment property. The logistics centre serves the cargo volumes of TKM Group, especially its subsidiary Selver AS. The logistics centre is operated by OÜ NG Logistics, which is a logistics company based on 100% Estonian capital and belonging to the NG Investeeringud group.

During the reporting period, SIA TKM Latvija sold investment properties in Salaspils and Kuldiga in Latvia for a total of 5,080 thousand euros.

In 2024, SIA TKM Latvija sold its investment properties in Ogre and Rezekne for a total amount of 8,425 thousand euros.

No fair value change of investment property was identified in 2025.

Note 10. Property, plant and equipment

in thousands of euros

	Land and buildings	Right-of use-assets: retail properties	Machinery and equip-ment	Other fixtures and fittings	Construc-tion and projects in progress	Total
31.12.2023						
Cost or revalued amount	211,550	247,112	73,723	59,922	24,175	616,482
Accumulated depreciation and impairment	0	-89,527	-43,264	-41,414	-8,971	-183,176
Carrying value	**211,550**	**157,585**	**30,459**	**18,508**	**15,204**	**433,306**
Changes occurred in 2024						
Purchases and improvements	2,613	0	3,994	6,513	20,943	34,063
Addition to right-of use assets	0	10,510	0	0	0	10,510
Other reclassifications	0	0	284	-45	0	239
Reclassification to investment property (Note 9)	0	0	0	0	-21,799	-21,799
Reclassification from intangible assets (Note 11)	0	0	864	0	0	864
Reclassification to inventory	0	0	-504	0	0	-504
Reclassification to property, plant and equipment from inventory	0	0	2,575	1	-29	2,547
Disposals	-1,887	0	-771	-6	0	-2,664
Write-offs	0	0	-24	-35	-152	-211
Decrease/increase in value through profit or loss	0	0	0	0	-293	-293
Adjustment to right-of use assets	0	10,685	0	0	0	10,685
Depreciation	-7,540	-20,376	-7,621	-6,412	0	-41,949
31.12.2024						
Cost or revalued amount	211,854	268,307	78,660	65,007	23,137	646,965
Accumulated depreciation and impairment	-7,118	-109,903	-49,404	-46,483	-9,263	-222,171
Carrying value	**204,736**	**158,404**	**29,256**	**18,524**	**13,874**	**424,794**
Changes occurred in 2025						
Purchases and improvements	305	0	701	1,860	5,647	8,513
Other reclassifications	0	0	122	0	0	122
Reclassification to inventory	0	0	-141	0	0	-141
Reclassification to property, plant and equipment from inventory	0	0	1,109	0	26	1,135
Disposals	0	0	-336	0	0	-336
Write-offs	-5	0	-9	-14	0	-28
Adjustment to right-of use assets	0	10,443	0	0	0	10,443
Depreciation	-3,804	-10,197	-3,904	-3,084	0	-20,989
30.06.2025						
Cost or revalued amount	212,105	276,053	78,878	61,834	28,810	657,680
Accumulated depreciation and impairment	-10,873	-117,403	-52,080	-44,548	-9,263	-234,167
Carrying value	**201,232**	**158,650**	**26,798**	**17,286**	**19,547**	**423,513**

The cost of investments for the 6 months of 2025 amounted to 9,310 thousand euros (including purchases of property, plant and equipment in the amount of 8,513 thousand euros and purchases of intangible assets amounted to 797 thousand euros).

The cost of purchases of property, plant and equipment made in reporting period in the supermarkets business segment was 1,656 thousand euros. During the reporting period, computing equipment was purchased, the store fittings were renewed and security equipment was purchased.

The cost of purchases of property, plant and equipment in the business segment of department stores amounted to 741 thousand euros. During the reporting period, Children's World underwent a renovation in Kaubamaja in Tallinn.

Also computing equipment was purchased and the store fittings were renewed.

The cost of purchases of property, plant and equipment in the reporting period was 417 thousand euros in the car trade business segment.

The cost of purchases of property, plant and equipment in the reporting period was 176 thousand euros in the security business segment.

In the real estate segment, property, plant and equipment was acquired during the reporting period at a total cost of 5,523 thousand euros. Construction of a new multi-brand car centre commenced in Lithuania during the reporting period. In Estonia, work has begun on building a body repair workshop next to Viking Motors' Peetri dealership. This year, several store renovation projects have also been initiated with the aim of modernising the buildings and aligning them with current business needs. As part of the renovations, the energy efficiency of the buildings will be improved.

The companies in the consolidated TKM Group did not have any binding obligations for the purchase of tangible assets.

Note 11. Intangible assets

in thousands of euros

	Goodwill	Trademark	Beneficial agreements	Capitalised development expenditure	Total
31.12.2023					
Cost	19,049	2,243	120	7,430	28,842
Accumulated amortisation and impairment	0	-1,153	-49	-2,270	-3,472
Carrying value	**19,049**	**1,090**	**71**	**5,160**	**25,370**
Changes occurred in 2024					
Purchases and improvements	0	0	0	2,000	2,000
Reclassification to property, plant and equipment (Note 10)	0	0	0	-864	-864
Amortisation	0	-295	-17	-409	-721
31.12.2024					
Cost	19,049	2,243	120	7,984	29,396
Accumulated amortisation and impairment	0	-1,448	-66	-2,097	-3,611
Carrying value	**19,049**	**795**	**54**	**5,887**	**25,785**
Changes occurred in 2025					
Purchases and improvements	0	0	0	797	797
Amortisation	0	-147	-9	-200	-356
30.06.2025					
Cost	19,049	2,243	120	8,781	30,193
Accumulated amortisation and impairment	0	-1,595	-75	-2,297	-3,967
Carrying value	**19,049**	**648**	**45**	**6,484**	**26,226**

In the reporting period, the Group capitalised costs of a web page update, loyalty card web page update, loyalty card - Monthly Card, e-shop as development expenditure and development of services were in the amount of 797 thousand euros (2024: 2,000 thousand euros).

Trademark at value of 180 thousand euros was acquired in 2014 through purchase of Viking Security AS shares. Trademark will be amortised during 7 years. Trademark has been fully amortised in 2021, but its use will continue.

Trademark at value of 1,911 thousand euros was acquired in 2020 through purchase of ABC Supermarkets AS shares. Trademark will be amortised during 7 years.

In 2021, Viking Security AS acquired from P.Dussmann Eesti OÜ its security services business in Estonia together with the assets and agreements belonging to it. Beneficial agreements at value of 120 thousand euros were acquired together with security services business. Beneficial agreements will be amortised during 7 years.

Trademark at value of 153 thousand euros was acquired in 2023 through purchase of AS Walde shares. Trademark will be amortised during 7 years.

Goodwill is allocated to cash generating units of the Group by the following segments:

in thousands of euros	**30.06.2025**	**31.12.2024**
Supermarkets	13,609	13,609
Car trade	3,156	3,156
Security	2,284	2,284
Total	**19,049**	**19,049**

The recoverable amount (based on value in use) was determined based on future cash flows for the next five years. In all units, it was evident that the present value of cash flows covers the value of goodwill and trademark as well as beneficial lease agreements and other assets related to the unit.

Note 12. Borrowings

in thousands of euros

	30.06.2025	**31.12.2024**
Short-term borrowings		
Overdraft	4,252	4,797
Bank loans	7,606	12,157
Lease liabilities	9,181	18,852
Other borrowings	4,647	8,630
Total short-term borrowings	**25,686**	**44,436**

in thousands of euros

	30.06.2025	**31.12.2024**
Long-term borrowings		
Bank loans	114,967	111,298
Lease liabilities	164,795	153,924
Other borrowings	16,049	14,736
Total long-term borrowings	**295,811**	**279,958**
Total borrowings	**321,497**	**324,394**

Borrowings received

in thousands of euros

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Overdraft	196	2,308	0	0
Bank loans	4,670	16,100	4,670	20,065
Other borrowings	1,432	3,786	2,701	5,229
Total borrowings received	**6,298**	**22,194**	**7,371**	**25,294**

Borrowings paid

in thousands of euros

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Overdraft	0	0	545	2,765
Bank loans	2,556	1,878	5,551	3,684
Lease liabilities	4,561	4,378	9,244	9,020
Other borrowings	2,566	2,160	5,372	4,378
Total borrowings paid	**9,683**	**8,416**	**20,712**	**19,847**

Bank loans are denominated in euros. Management estimates that the carrying amount of the Group's financial liabilities does not significantly differ from their fair value.

As of 30.06.2025, the repayment dates of bank loans are between 07.07.2025 and 07.05.2039 (2024: between 02.01.2025 and 07.05.2039), interest is tied both to 3-month and 6-month EURIBOR. Weighted average interest rate was 3.44% (2024: 4.60%).

Lease agreements that form lease liabilities have been concluded for the term until 01.09.2045. Lease liability recorded in the balance sheet is recognised as a result of adoption of IFRS 16. In discounting, an alternative loan interest rate has been used in concluding the contract or upon initial application of IFRS 16. Weighted average interest rate used was 2.89% (31.12.2024: 2.79%).

Net debt reconciliation
in thousands of euros

	30.06.2025	31.12.2024
Cash and cash equivalents (Note 2)	20,820	45,454
Short-term borrowings	-25,686	-44,436
Long-term borrowings	-295,811	-279,958
Net debt	**-300,677**	**-278,940**
Cash and cash equivalents (Note 2)	20,820	45,454
Gross debt – fixed interest rates	-173,976	-172,776
Gross debt – variable interest rates	-147,521	-151,618
Net debt	**-300,677**	**-278,940**

	Cash and cash equivalents	Overdraft	Borrowings	Lease liabilities	Total
Net debt 31.12.2023	**42,064**	**-7,361**	**-130,980**	**-169,336**	**-265,613**
Cash flow (principal and interest)	3,390	2,564	-8,092	22,924	20,786
Interest accrued	0	0	-7,748	-5,170	-12,918
New lease contracts	0	0	0	-10,510	-10,510
Revaluation of lease liabilities	0	0	0	-10,685	-10,685
Net debt 31.12.2024	**45,454**	**-4,797**	**-146,820**	**-172,777**	**-278,940**
Cash flow (principal and interest)	-24,634	545	11,270	11,965	-854
Interest accrued	0	0	-7,719	-2,721	-10,440
Revaluation of lease liabilities	0	0	0	-10,443	-10,443
Net debt 30.06.2025	**20,820**	**-4,252**	**-143,269**	**-173,976**	**-300,677**

Note 13. Trade and other payables

in thousands of euros

	30.06.2025	31.12.2024
Trade payables	69,252	74,639
Payables to related parties (Note 20)	3,223	3,549
Other accrued expenses	159	629
Prepayments by tenants	2,838	2,664
Total financial liabilities from balance sheet line "Trade and other payables"	**75,472**	**81,481**
Taxes payable (Note 14)	11,647	13,883
Employee payables	10,498	11,399
Prepayments	3,808	4,065
Provisions for other liabilities and charges	0	169
Total trade and other payables	**101,425**	**110,997**
Long-term tenant security deposits	1,305	1,285
Total long-term trade and other payables	**1,305**	**1,285**

Note 14. Taxes

in thousands of euros

	30.06.2025		31.12.2024	
	Prepaid taxes	Taxes payable	Prepaid taxes	Taxes payable
Prepaid taxes	72	0	73	0
Value added tax	0	4,655	0	7,030
Personal income tax	0	2,104	0	1,943
Social security taxes	0	4,396	0	4,383
Corporate income tax	0	39	0	104
Unemployment insurance	0	284	0	278
Mandatory funded pension	0	169	0	145
Total taxes	**72**	**11,647**	**73**	**13,883**

As of 30.06.2025 deferred tax liability on dividends in the amount of 7,939 thousand euros (31.12.2024: 7,939 thousand euros) is recorded in the balance sheet.

Note 15. Share capital

As of 30.06.2025 and 31.12.2024, the share capital in the amount of 16,292 thousand euros consisted of 40,729,200 ordinary shares with the nominal value of 0.40 euros per share. All shares issued have been paid for. According to the articles of association, the maximum allowed number of shares is 100,000,000 shares.

In 2025, dividends were paid to the shareholders in the amount of 26,473 thousand euros, or 0.65 euros per share. Related income tax expense on dividends amounted to 7,824 thousand euros.

In 2024, dividends were paid to the shareholders in the amount of 29,324 thousand euros, or 0.72 euros per share. Related income tax expense on dividends amounted to 5,312 thousand euros.

Note 16. Segment reporting

The Group has defined the business segments based on the reports used regularly by the supervisory board to make strategic decisions.

The chief operating decision maker monitors the Group's operations by activities. By areas of activity, the operating activities are monitored in the department stores, supermarkets, real estate, car trade, beauty products (I.L.U.) and security segments. The measures of I.L.U. are below the quantitative criteria of the reporting segment specified in IFRS 8; these have been aggregated with the department stores segment because they have similar economic characteristics and are similar in other respects specified in IFRS 8.

The main area of activity of department stores, supermarkets and car trade is retail trade. Supermarkets focus on the sale of food products and convenience goods, the department stores on the sale of beauty and fashion products, the car trade on the sale of cars and spare parts. Among the others, in the car trade segment, cars are sold at wholesale prices to authorised car dealers. The share of wholesale trade in other segments is insignificant. The security segment main activity is providing security services solutions. The real estate segment deals with the development, management and maintenance of real estate owned by the Group, and with the rental of commercial premises.

The activities of the Group are carried out in Estonia, Latvia and Lithuania. The Group operates in all the five operating segments in Estonia. The Group is engaged in car trade and real estate development in Latvia and in Lithuania.

The disclosures of financial information correspond to the information that is periodically reported to the Supervisory Board. Measures of profit or loss, segment assets and liabilities have been measured in accordance with accounting policies used in the preparation of the financial statements, except for IFRS 16 measurement and recognition of right of use assets and lease liabilities which are shown in a separate sector. Main measures that Supervisory Board monitors are segment revenue (external segment and inter-segment revenue), EBITDA (earnings before interest, taxes, depreciation and amortisation) and net profit or loss.

in thousands of euros

II quarter 2025	Super-markets	Depart-ment store	Car trade	Securi-ty	Real estate	Inter-segment transact-ions	Impact of lease accounting	Total seg-ments
External revenue	**155,737**	**25,695**	**45,131**	**4,361**	**1,922**	**0**	**0**	**232,846**
Inter-segment revenue	221	1,272	74	1,692	3,697	-6,956	0	0
Total revenue	155,958	26,967	45,205	6,053	5,619	-6,956	0	232,846
EBITDA	**6,406**	**1,053**	**2,223**	**-102**	**4,424**	**0**	**5,981**	**19,985**
Segment depreciation and impairment losses	-2,947	-812	-435	-151	-1,203	0	-5,059	-10,607
Operating profit	**3,459**	**241**	**1,788**	**-253**	**3,221**	**0**	**922**	**9,378**
Finance income	200	233	9	0	294	-661	0	75
Finance income on shares of associates (Note 7)	0	62	0	0	0	0	0	62
Finance costs	-297	-536	-166	-19	-1,101	661	-1,419	-2,877
Income tax	0	0	0	0	-1	0	0	-1
Net profit/(-loss)	**3,362**	**0**	**1,631**	**-272**	**2,413**	**0**	**-497**	**6,637**
incl. in Estonia	3,362	0	1,412	-272	2,355	0	-497	6,360
incl. in Latvia	0	0	139	0	115	0	0	254
incl. in Lithuania	0	0	80	0	-57	0	0	23
Segment assets	**145,415**	**87,059**	**51,991**	**7,806**	**309,506**	**-92,603**	**158,650**	**667,824**
Segment liabilities	**97,924**	**60,955**	**28,285**	**5,649**	**126,734**	**-60,841**	**173,976**	**432,682**
Segment investments in property, plant and equipment	759	260	133	96	3,779	0	0	5,027
Segment investments in intangible assets	89	449	2	2	0	0	0	542

in thousands of euros

II quarter 2024	Super-markets	Depart-ment store	Car trade	Securi-ty	Real estate	Inter-segment transact-ions	Impact of lease accounting	Total seg-ments
External revenue	**150,294**	**25,431**	**54,094**	**5,749**	**1,755**	**0**	**0**	**237,323**
Inter-segment revenue	212	1,217	123	1,570	3,656	-6,778	0	0
Total revenue	150,506	26,648	54,217	7,319	5,411	-6,778	0	237,323
EBITDA	**8,551**	**1,240**	**3,971**	**228**	**3,843**	**0**	**5,508**	**23,341**
Segment depreciation and impairment losses	-3,064	-717	-393	-155	-1,164	0	-4,974	-10,467
Operating profit	**5,487**	**523**	**3,578**	**73**	**2,679**	**0**	**534**	**12,874**
Finance income	291	428	19	0	459	-1,121	0	76
Finance income on shares of associates (Note 7)	0	61	0	0	0	0	0	61
Finance costs	-606	-846	-249	-31	-1,401	1,121	-1,130	-3,142
Income tax	-1	0	0	0	0	0	0	-1
Net profit/(-loss)	**5,171**	**166**	**3,348**	**42**	**1,737**	**0**	**-596**	**9,868**
incl. in Estonia	5,171	166	2,849	42	1,607	0	-596	9,239
incl. in Latvia	0	0	159	0	161	0	0	320
incl. in Lithuania	0	0	340	0	-31	0	0	309
Segment assets	**148,044**	**90,467**	**50,931**	**8,980**	**318,876**	**-99,270**	**156,380**	**674,408**
Segment liabilities	**112,910**	**64,224**	**25,247**	**6,743**	**121,276**	**-67,508**	**169,108**	**432,000**
Segment investments in property, plant and equipment	1,302	611	162	128	7,413	0	0	9,616
Segment investments in intangible assets	0	597	0	1	0	0	0	598

in thousands of euros

6 months 2025	Super-markets	Depart-ment store	Car trade	Security	Real estate	Inter-segment transact-ions	Impact of lease accounting	Total seg-ments
External revenue	**304,046**	**48,443**	**82,450**	**8,959**	**3,882**	**0**	**0**	**447,780**
Inter-segment revenue	449	2,541	169	3,240	7,387	-13,786	0	0
Total revenue	304,495	50,984	82,619	12,199	11,269	-13,786	0	447,780
EBITDA	**10,171**	**300**	**3,480**	**-49**	**8,534**	**0**	**11,966**	**34,402**
Segment depreciation and impairment losses	-5,990	-1,609	-847	-320	-2,410	0	-10,197	-21,373
Operating profit	**4,181**	**-1,309**	**2,633**	**-369**	**6,124**	**0**	**1,769**	**13,029**
Finance income	416	561	43	0	606	-1,272	0	354
Finance income on shares of associates (Note 7)	0	118	0	0	0	0	0	118
Finance costs	-576	-1,056	-345	-38	-2,122	1,272	-2,721	-5,586
Income tax	-564	0	-2,259	0	-5,004	0	0	-7,827
Net profit/(-loss)	**3,457**	**-1,686**	**72**	**-407**	**-396**	**0**	**-952**	**88**
incl. in Estonia	3,457	-1,686	-155	-407	-40	0	-952	217
incl. in Latvia	0	0	144	0	-263	0	0	-119
incl. in Lithuania	0	0	83	0	-93	0	0	-10
Segment assets	**145,415**	**87,059**	**51,991**	**7,806**	**309,506**	**-92,603**	**158,650**	**667,824**
Segment liabilities	**97,924**	**60,955**	**28,285**	**5,649**	**126,734**	**-60,841**	**173,976**	**432,682**
Segment investments in property, plant and equipment (Note 10)	1,656	741	417	176	5,523	0	0	8,513
Segment investments in intangible assets (Note 11)	89	700	6	2	0	0	0	797

in thousands of euros

6 months 2024	Super-markets	Depart-ment store	Car trade	Security	Real estate	Inter-segment transact-ions	Impact of lease accounting	Total seg-ments
External revenue	**296,742**	**49,422**	**98,938**	**10,275**	**3,449**	**0**	**0**	**458,826**
Inter-segment revenue	443	2,432	233	3,180	7,293	-13,581	0	0
Total revenue	297,185	51,854	99,171	13,455	10,742	-13,581	0	458,826
EBITDA	**12,872**	**1,033**	**6,876**	**265**	**7,890**	**0**	**11,139**	**40,075**
Segment depreciation and impairment losses	-6,227	-1,422	-788	-305	-2,338	0	-9,997	-21,077
Operating profit	**6,645**	**-389**	**6,088**	**-40**	**5,552**	**0**	**1,142**	**18,998**
Finance income	586	852	31	1	853	-1,994	0	329
Finance income on shares of associates (Note 7)	0	133	0	0	0	0	0	133
Finance costs	-1,050	-1,599	-472	-57	-2,487	1,994	-2,119	-5,790
Income tax	-1,607	-163	-1,090	0	-2,453	0	0	-5,313
Net profit/(-loss)	**4,574**	**-1,166**	**4,557**	**-96**	**1,465**	**0**	**-977**	**8,357**
incl. in Estonia	4,574	-1,166	3,964	-96	1,218	0	-977	7,517
incl. in Latvia	0	0	164	0	309	0	0	473
incl. in Lithuania	0	0	429	0	-62	0	0	367
Segment assets	**148,044**	**90,467**	**50,931**	**8,980**	**318,876**	**-99,270**	**156,380**	**674,408**
Segment liabilities	**112,910**	**64,224**	**25,247**	**6,743**	**121,276**	**-67,508**	**169,108**	**432,000**
Segment investments in property, plant and equipment (Note 10)	1,864	748	498	213	12,823	0	0	16,146
Segment investments in intangible assets (Note 11)	0	1,223	2	3	0	0	0	1,228

External revenue according to types of goods and services sold

in thousands of euros

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Retail revenue	207,454	205,595	399,249	400,484
Wholesale revenue	11,524	16,473	21,466	30,828
Rental income	3,007	2,833	5,999	5,517
Revenue for rendering services	10,861	12,422	21,066	21,997
Total revenue	**232,846**	**237,323**	**447,780**	**458,826**

External revenue by client location

in thousands of euros

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Estonia	214,981	217,493	415,413	424,380
Latvia	8,320	8,836	14,808	16,304
Lithuania	9,545	10,994	17,559	18,142
Total	**232,846**	**237,323**	**447,780**	**458,826**

Distribution of non-current assets* by location of assets

in thousands of euros

	30.06.2025	31.12.2024
Estonia	499,302	503,953
Latvia	19,871	25,239
Lithuania	7,429	2,906
Total	**526,602**	**532,098**

* Non-current assets, other than financial assets and investment in associate.

In the reporting period and comparable period, the Group did not have any clients whose revenue would exceed 10% of the Group’s revenue.

Note 17. Services expenses

in thousands of euros

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Rental expenses	183	266	388	344
Heat and electricity expenses	2,899	3,046	6,320	6,898
Expenses related to premises	2,983	2,750	5,844	5,595
Cost of services and materials related to sales	1,886	1,769	3,752	3,517
Marketing expenses	2,661	2,502	5,202	4,796
Other operating expenses	987	1,093	2,488	2,465
Computer and communication costs	2,294	2,261	4,384	4,081
Expenses related to personnel	1,209	1,269	2,475	2,522
Total services expenses	**15,102**	**14,956**	**30,853**	**30,218**

Note 18. Staff costs

in thousands of euros

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Wages and salaries	22,216	20,847	43,739	41,602
Social security taxes	7,002	6,551	13,782	13,090
Total staff costs	**29,218**	**27,398**	**57,521**	**54,692**
Average wages per employee per month (euros)	1,551	1,469	1,527	1,457
Average number of employees in the reporting period	4,775	4,732	4,775	4,760

Note 19. Earnings per share

For calculating the basic earnings per share, the net profit to be distributed to the Parent's shareholders is divided by the weighted average number of ordinary shares in circulation. As the Company does not have potential ordinary shares, the diluted earnings per share equal basic earnings per share.

	II quarter 2025	II quarter 2024	6 months 2025	6 months 2024
Net profit (in thousands of euros)	6,637	9,868	88	8,357
Weighted average number of shares	40,729,200	40,729,200	40,729,200	40,729,200
Basic and diluted earnings per share (euros)	0.16	0.24	0.00	0.21

Note 20. Related party transactions

in thousands of euros

In preparing the consolidated interim report of TKM Grupp AS, the following parties have been considered as related parties:

a. owners (Parent and the persons controlling or having significant influence over the Parent);
b. associates;
c. other entities in the Parent's consolidation group;
d. management and supervisory boards of the Group companies;
e. close relatives of the persons described above and the entities under their control or significant influence.

Parent company of TKM Grupp AS is OÜ NG Investeeringud (Parent company), operating in Estonia. Majority shareholder of OÜ NG Investeeringud is NG Kapital OÜ, operating in Estonia. NG Kapital OÜ is the ultimate controlling party of TKM Grupp AS.

The TKM Group has purchased and sold goods, services and non-current assets as follows:

	Purchases 6 months 2025	Sales 6 months 2025	Purchases 6 months 2024	Sales 6 months 2024
Parent	137	279	127	230
Entities in the Parent's consolidation group	15,058	2,432	14,593	2,217
Members of management and supervisory boards	0	14	0	10
Other related parties	28	4	21	9
Total	**15,223**	**2,729**	**14,741**	**2,466**

A major part of the purchases from the entities in the Parent's consolidation group is made up of goods purchased for sale. Purchases from the Parent are mostly made up of management fees. Sales to related parties are mostly made up of services provided.

Balances with related parties:

	30.06.2025	31.12.2024
Receivables from entities in the in the Parent’s consolidation group	349	792
Total receivables from related parties (Note 4)	**349**	**792**

	30.06.2025	31.12.2024
Parent	28	26
Entities in the Parent’s consolidation group	3,191	3,520
Other related parties	4	3
Total liabilities to related parties (Note 13)	**3,223**	**3,549**

Receivables from and liabilities to related parties, arisen in the normal course of business, are unsecured and carry no interest because they have regular payment terms.

Entities in the Parent company consolidation group are important suppliers for the Group.

For arranging funding for its subsidiaries, the Group uses the group account, the members of which are most of the Group’s entities. In its turn, the Group as a subgroup is a member of the group account of NG Investeeringud OÜ (hereinafter head group). From 2001, TKM Grupp AS has been keeping its available funds at the head group account, earning interest income on its deposits. In 2025, the Group has earned interest income on its deposits of available funds in the amount of 275 thousand euros, interest rate 1.56% (2024: 412 thousand euros, interest rate 2.58%). As at 30 June 2025 and 31 December 2024, TKM Grupp AS had not deposited any funds through head group and had not used available funds of head group. According to the group account contract, the Group’s members are jointly responsible for the unpaid amount to the bank.

Remuneration paid to the members of the Management and Supervisory Board

Short term benefits to the management boards’ members of the TKM Group for the reporting period including wages, social security taxes, bonuses, and car expenses, amounted to 2,339 thousand euros (2024 6 months: 2,374 thousand euros). Short-term benefits to supervisory boards’ members of the Group in reporting period including social taxes amounted to 497 thousand euros (2024 6 months: 451 thousand euros).

The termination benefits for the members of the Management Board are limited to 3 to 6 month’s salary expense.