

# **Report of the supervisory board of Tallinna Kaubamaja Grupp AS regarding the annual report of 2023**

*Translation of the Estonian original*

Tallinna Kaubamaja Grupp AS (hereinafter TKM Grupp) has reviewed the 2023 annual report prepared by the management board and the report of the sworn auditor. In 2023, TKM Group achieved overall good economic results in a difficult economic environment and restored profitability. According to the council, TKM Group has fulfilled the goals set by the council for the management board for 2023.

The supervisory board plans the activities of TKM Group and organizes the management and supervises the activities of the board. The board, the management and the supervisory board work together on the development of the company's strategy, while the board and the management base their management decisions on the strategic instructions given by the supervisory board. The supervisory board has held 12 regular meetings and one extraordinary meeting in 2023. The supervisory board has discussed and approved the budgets and investments prepared by the board and set operational goals and priorities. In supervising the activities of the board, the supervisory board has discussed the financial results of the joint-stock company by month at its monthly meetings and specified further action plans. The supervisory board supports the TKM Grupp's audit committee in its activities, which focuses its activities mainly on improving the risk management and internal control system. The audit committee also helps coordinate the activities of internal and external auditors and discusses all important auditors' reports. The effectiveness of the follow-up inspection is considered important when performing supervision, thereby providing support to the board and management of TKM Grupp. The audit committee works monthly and documents its activities in accordance with the applicable rules.

Among the most important events in the reporting year, Tartu Ringtee and Järve Selver and Delice Solaris grocery stores were renovated. We also opened a new Selver in Kurna. In the car segment, we

started our activities as a Škoda dealer in Lithuania in addition to Latvia. The security segment expanded rapidly, as we acquired three new companies. We opened ILU stores with updated concepts in Ülemiste and Kristiine Keskus. Solar parks were built on the roofs of Viimsi Keskus and Põltsamaa Selver. As an important strategic decision, we approved the establishment of a logistics center and approved the conclusion of the corresponding construction contract. Partner Kuukaarti's "buy now, pay later" payment solutions Installment and Installment were launched in Kaubamaja. The number of Partnercard customers exceeded 720 thousand.

The Grupp's Supervisory Board is of the opinion that the Group's Management Board has fulfilled its obligations. The company supervisory board approves the 2023 annual report prepared by the management board and submits it to the general meeting of shareholders for approval

Jüri Kõo

Chairman of the supervisory board

Tallinna Kaubamaja Grupp AS

(signed digitally)