TKM GRUPP

TKM Grupp AS

Annual Report

2025

TKM Grupp AS

Consolidated Annual Report 2025

The main fields of activity of TKM Grupp AS (hereinafter referred to as the 'TKM Group' or 'the Group') are retail and wholesale trade. At the year-end 2025, the Group employed more than 4,700 employees.

Legal address:	Kaubamaja 1, 10143 Tallinn
Country of Incorporation	Republic of Estonia
Commercial Register no.:	10223439
Legal form of entity	Public limited company
Telephone:	372 667 3300
E-mail:	info@tkmgrupp.ee
Beginning of financial year:	1.01.2025
End of financial year:	31.12.2025
Auditor:	PricewaterhouseCoopers AS
Name of parent entity	OÜ NG Investeeringud
Name of ultimate parent of group	NG Kapital OÜ

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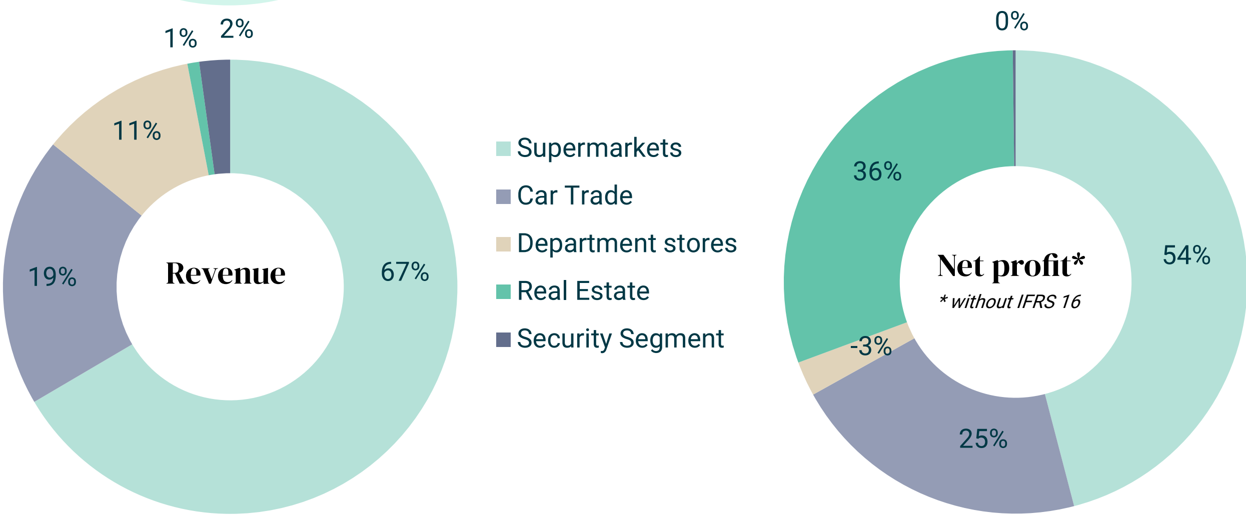
Management Report

TKM Group is one of the biggest retail companies in Estonia. Our **4,700** employees serve customers in **92** stores, where **750,000** loyal customers make **49** million purchases a year.

919,6
Million euros
Revenue
(2024: 944,6 million euros)

17,5
Million euros
Net profit
(2024: 27,5 million euros)



43
Cents
Net profit per share
(2024: 67 cents)

4 743
Yearly average number of
Employees
(2024: 4 769)

Chairman of the Management Board's statement

The year 2025 will go down in history as a year of a challenging economic environment and major challenges for Estonian retailers in general and for TKM Group in particular. Consumer confidence remained low due to both the uncertain geopolitical situation and domestic tax changes. The introduction of the motor vehicle tax and contradictory government messaging throughout the year had a strong impact on the Estonian automotive retail sector. Competition in retail trade remained intense and consumer price sensitivity high. Against this backdrop, the Group's sales revenue of 919.6 million euros and profit of 17.5 million euros can be regarded as an expected result.

The past year once again demonstrated how strongly our success depends on the everyday contribution of each employee, whether on the sales floor, in the warehouse, kitchen, workshop or office. Effective cost control, measures to improve the efficiency of internal processes and accurate inventory planning, but above all the dedicated work of our more than 4,700 employees, are what enable the Group to deliver results even in turbulent times.

Despite the difficult economic conditions, 2025 can be considered a year of stable progress for the Group.

Despite the difficult economic conditions, 2025 can be considered a year of stable progress for the Group. We continued with strategic, forward-looking investments that strengthen our position in the longer term. Developments in sales environments played an important role. The Peetri KIA dealership was established, and new KIA and Škoda showrooms were opened in Vilnius. Jõgeva Selver store was refurbished. Kaubamaja's Children's World also underwent refurbishment. Construction of a new KIA bodywork workshop in Peetri was launched. All these activities contributed to creating a modern, convenient and high-quality shopping experience for customers. One of the most important strategic steps of 2025 was the negotiations with Rohe Auto AS and SKO Motors OÜ, which culminated in an agreement in January 2026 to acquire Škoda distribution rights in Tallinn and Harju County. Soon, the Group will have Škoda showrooms in all Baltic capitals, significantly expanding the business potential of our car segment.

During the year, several significant changes were implemented in our information systems. E-shops were upgraded and the D365 business software platform further developed. In addition, a number of data and customer management solutions were enhanced. All these initiatives support greater operational efficiency and an even better customer experience. The number of Partner Card users continued to grow and exceeded 750,000. This reflects long-term trust and confirms our ability to offer quality products, competitive pricing and good service.

We look ahead to 2026 with a cautiously positive, realistic and goal-oriented mindset. Although improvements in the economic environment may take longer than expected, we will continue to build a strong foundation for the Group through investments that support our growth and sustainability. Continuous modernisation of sales environments, development of digital solutions, strengthening of support systems and expansion of businesses place us in a good position to respond flexibly to market changes and identify new opportunities.

I would like to thank all our dedicated colleagues, loyal customers and valued partners who have trusted and supported us throughout the year. The continued support of our shareholders enables us to make bold, forward-looking decisions and to move ahead successfully. We value our customers highly, keep our businesses competitive and remain focused on creating long-term value for our shareholders.

Raul Puusepp

Chairman of the Management Board

TKM Group in brief

Group's vision

The objective of The Group is to be the flagship of Estonian trade and one of the most successful listed companies in the Baltic region in every field of its business.

Group's mission

Group's mission is to be the first choice for its customers, valued employer to its employees and trustworthy investment option for its shareholders.

Group's core values

Integrity

We are open and sincere and do not distort the truth.

Concern

We are friendly and helpful and open to solutions.

Reliability

We keep our promises and follow applicable regulations.

Innovation

We are open to new and progressive ideas, so that we always try to be a step ahead.

Environmental awareness

We care about the surrounding environment, and we use our resources sustainably.

Morality and compliance

The underlying principle of the Group's business activity is to ensure, that all lines of businesses comply with the code of ethics. The Group has established a Code of Ethics, which summarizes and describes the most important principles that guide their activities. The Group bases its activities on laws and other legislations and practices, applicable to the respective field of activity. In case there is any distinctness between applicable legislations and other agreements, the more rigid requirements will prevail. The Group supports ethical, fair-minded and professional way of conduct within all its activities. The Group always supports free and fair competition, excluding limitation, restraining and damaging of the free competition. The Group follows the rules of competition and does not enter into illegal agreements or act in concert with anyone in a manner that would restrict competition.

Confidentiality and handling of inside information

- The Group's employees and partners shall maintain confidential information in a secure and secret manner and abstain from misusing the inside information they have become aware of. The Group considers information as confidential or as a business secret, which is not, as whole or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; has commercial value because it is secret; and has been subject to reasonable measures under the circumstances, by the person lawfully in control of the in-formation, to keep it secret.
- When communicating with competitors, the Group will refrain from discussing confidential information and will not use any unauthorized means or methods to obtain business secrets or other confidential information of the competitors.
- The Group disapproves corruption in all its forms.
- A Group employee may not make use of their official position for receiving personal gain on the account of the Group, its partners, customers, or other employees. Receiving personal gain also means any benefit obtained by the employee's close relative or a legal person closely related to the employee.
- The Group, its employees, and partners do not offer or agree to accept bribe or inducement in any form.
- A Group employee behaves in a reliable manner and avoids situations where their personal interests would be in

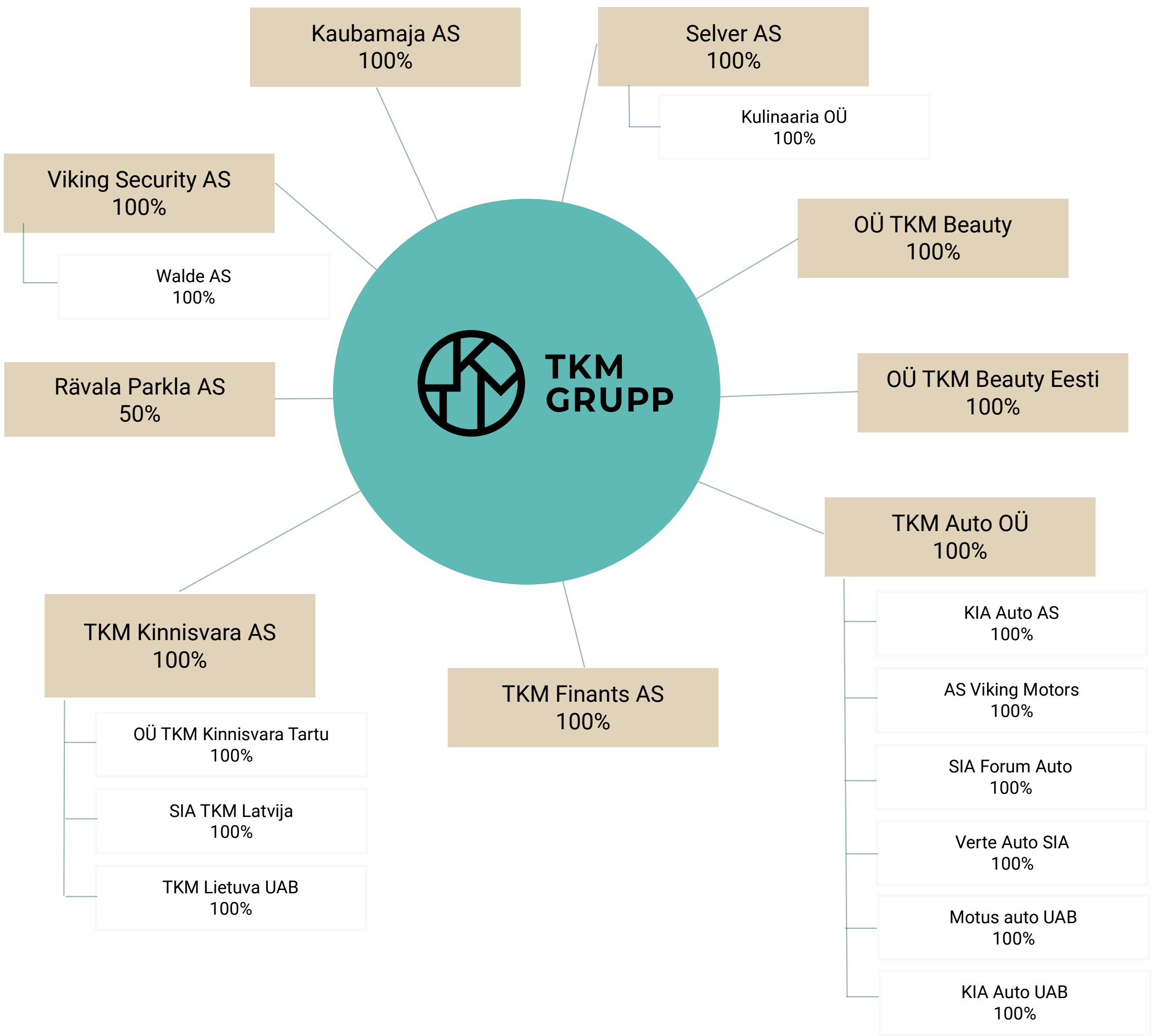
conflict with those of the Group or where the employee cannot act in the interests of the Group.

- A Group employee shall immediately inform their line manager or a responsible body, who performs supervision in any form over their activity, of a situation where a conflict of interests has occurred or where there is a risk of the occurrence thereof.
- The Group's activity is transparent and corresponds to the understanding of openness and integrity established in the society.
- The Group's employees and partners inform the Group whenever they suspect a violation of exemplary business principles in the Group's operations. The Group's employees shall notify of the suspected violations their line manager, the Group's management, or a person or body with a compliance function.

Structure of the Group

The main fields of activity of the entities of the Group include retail and wholesale trade.

The structure of TKM Group as of 31.12.2025:



The following segments may be differentiated in the activities of the Group:

- Supermarkets
- Department stores
- Car trade
- Security
- Real estate

The supermarkets segment includes the Selver store chain with 72 Selver stores, 2 Delice stores, the mobile store, and a café, with a total selling space of 124,100 m², as well as the online store e-Selver and the central kitchen Kulinaaria OÜ, whose product portfolio includes over 400 products.

Kaubamaja operates two department stores, one in Tallinn and the other in Tartu city centre, as well as an online store, offering a large selection of beauty and fashion products. The department store segment also includes the reporting of beauty retail (I.L.U. and L'Occitane) with 7 stores and an online shop, as well as the performance of TKM Finants AS.

The car trade segment with an independent dealers' network is the importer of KIA's in the Baltic countries, which additionally sells passenger cars in two showrooms in Tallinn, two showrooms in Riga and two in Vilnius. In addition to KIA, there are several other car brands in the selection, such as Peugeot and Škoda.

The main field of activity of the security segment is the provision of security services and surveillance solutions, from simpler manned and technical security services to the design, installation, and maintenance of more complex surveillance and video systems. High-quality, fast, and independent inventory is also carried out in various companies. The segment also offers the cash transportation service.

The real estate segment is involved in the management, maintenance of real estate that belongs to the Group and renting out commercial space. The Group's real estate segment owns the sales premises of Kaubamaja in Tallinn, Tartu Kaubamaja centre, Viimsi Centre, three car dealerships, and 19 Selver store buildings, as well as a logistics centre and several other properties.

In the Group's segment reporting, the Group's companies are reported in the following segments:

Supermarkets	Location
Selver AS	Estonia
Kulinaaria OÜ	Estonia
Department stores	
Kaubamaja AS	Estonia
TKM Finants AS	Estonia
OÜ TKM Beauty	Estonia
OÜ TKM Beauty Eesti	Estonia
Rävala Parkla AS	Estonia
Car trade	
TKM Auto OÜ	Estonia
KIA Auto AS	Estonia
AS Viking Motors	Estonia
SIA Forum Auto	Latvia
Verte Auto SIA	Latvia
Motus auto UAB	Lithuania
KIA Auto UAB	Lithuania
Security	
Viking Security AS	Estonia
Walde AS	Estonia
Real estate	
TKM Kinnisvara AS	Estonia
OÜ TKM Kinnisvara Tartu	Estonia
SIA TKM Latvija	Latvia
TKM Lietuva UAB	Lithuania

Changes in structure

A demerger agreement signed in May of the reporting year initiated the demerger of UAB Motus auto, the Lithuanian subsidiary of TKM Auto OÜ, which manages the Group's car segment operations. The purpose of the demerger was to separate the KIA and Škoda business lines, and it was completed based on the demerger resolution by registration of the demerger in the Lithuanian Commercial Register on 28 May 2025. As a result of the demerger, the existing UAB Motus auto continues 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 was transferred, as from the beginning of July, to a newly established subsidiary operating under the previously used company name UAB Motus auto. The new company is wholly owned by TKM Auto OÜ.

Event after the reporting period

As a significant event after the reporting period, on 7 January 2026 the Group entered into an agreement under which the Group's subsidiary TKM Auto OÜ will, subject to the fulfilment of the conditions precedent to final completion of the transaction, acquire a 100% interest in three companies engaged in the retail sale and servicing of vehicles: Rohe Auto AS, SKO Motors OÜ, and a real estate holding company to be established prior to completion of the transaction. The transaction is in line with the Group's long-term strategy to strengthen and expand its position in the car segment and to harmonise the Group's brand portfolio across the Baltic States.

As a result of the transaction, the Group's dealership network in the Estonian market will expand and the portfolio of vehicle brands offered will increase, providing customers with a broader selection and strengthening the Group's competitive position. The companies to be acquired operate in the Tallinn and Harju County region with established sales and service infrastructure, supporting the Group's objective to increase market share and to enhance the consistent contribution of the service business to sales revenue.

At the time of preparing the report, the conditions for final completion of the transaction are in the process of being fulfilled, and the transfer of control will take place once these requirements have been met. In the management's assessment, the transaction will contribute to the Group's long-term development and strengthen the Group's position in one of its core strategic business areas.

Translation of the company's consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed (Link: https://nasdaqbaltic.com/statistics/en/instrument/EE0000001105/reports).

2025 overview

In the context of a prolonged economic downturn and low consumer confidence, the Group had to adapt in 2025 to an even more challenging business environment than before. A decline in consumer purchasing interest and the impact of new taxes, including the motor vehicle tax, placed significant pressure on sales revenue, which decreased by 2.6%. The Group's net profit amounted to 17.5 million euros. Through effective cost control, accurate inventory planning and the dedication of its employees, the Group was able to ensure a stable result even in volatile conditions. During the reporting year, the Group continued with strategic investments and sought additional opportunities for long-term growth. Total investments in 2025 amounted to 25.5 million euros. A new KIA showroom was opened in Tallinn, and KIA and Škoda sales showrooms were opened in Vilnius; Kaubamaja Children's World was updated and a Selver store was refurbished. The number of loyal customers in the Group's retail segments increased to over 750,000, confirming customers' continued loyalty and trust in the Group. To improve the customer shopping experience and enhance process efficiency, the Group continued to develop its information systems, investing in upgrades to both e-shops and business software.

The key events for TKM Group in 2025 and up until the publication of this annual report were as follows:

- The Group opened a new multi-brand car centre in Lithuania, where sales and servicing of KIA and Škoda vehicles commenced. The new dealership represents a significant expansion in the Baltic States and provides a strong foundation for further growth in the Lithuanian market.
- In Estonia, Viking Motors opened a new car dealership in Peetri, near Tallinn.
- Jõgeva Selver underwent extensive renovation, during which the sales area, storage facilities, fittings and equipment were upgraded. The store fully transitioned to energy-efficient CO_2-based refrigeration systems and smart solutions, reducing energy consumption and the store's environmental footprint by nearly one third.
- Kaubamaja Tallinn department store's Children's World was reopened following a comprehensive refurbishment, introducing new brands and a lifestyle-based layout. In addition, a new Anni Arro concept café was opened in the Women's World.
- The main development works of the I.L.U. e-shop platform upgrade was completed (launch scheduled for the first quarter of 2026), adding enhanced marketing capabilities and an improved customer experience.
- Selver's assortment was expanded with the First Price range of affordable everyday products, available exclusively at Selver and Delice.
- Preparations were initiated for the development of a new Selver store in Pärnu Papiniidu and for the expansion of Laulasmaa Selver.

- Selver's charity campaign "Koos on kergem" ("Together it's easier") was held for the 23rd time, raising donations for children's hospitals and paediatric wards in line with regional sales results.
- Selver joined the Vägivallavabaks (Violence-Free) employer initiative led by the President Kaljulaid Foundation, which unites employers' efforts to combat domestic violence.
- The number of customers in the Group's Partner Card loyalty programme exceeded 750 thousand. The Partner Card mobile app has more than 340 thousand users.
- At the beginning of January 2026, as a significant post-balance-sheet event, an agreement was signed to acquire Rohe Auto AS and SKO Motors OÜ, whose principal activities are the retail and wholesale sale of Škoda-branded vehicles, spare parts and accessories, as well as the provision of maintenance and repair services in the Tallinn and Harju County region. The transaction will strengthen the position of TKM Group's car segment in Estonia and the Baltic States, create synergies and add resilience to the Group's portfolio.

Awards and recognition

- In a public vote organised by the Estonian E-commerce Association, e-Selver received the title of the best e-shop in the food and consumer goods category.
- In CVKeskus.ee's 2025 survey, Selver ranked among the twenty most desirable employers in Estonia, achieving 19th place. In the sector-based ranking, Selver placed second in the retail sector and Kaubamaja AS third.
- In 2025, Selver AS and Viking Security AS were awarded the Silver level "Supporter of National Defence" recognition, and TKM Kinnisvara AS received the Bronze level recognition. The Ministry of Defence's recognition confirms the companies' continued contribution to Estonia's national defence by supporting conscripts and reservists participating in service or training, thereby strengthening national security.

From left in the photo: Estonian Prime Minister Kristen Michal, Secretary General of the Ministry of Defence Kaimo Kuusk, Member of the Management Board of Viking Security AS Tannar Tiitsar, Deputy Commander of the Estonian Defence Forces, Major General Rauno Sirk. Photo: Arno Mikkor

Business risks

The effective management of risks associated with the Group's business strategy, operations, and structure is crucial and an integral part of the Group's management process.

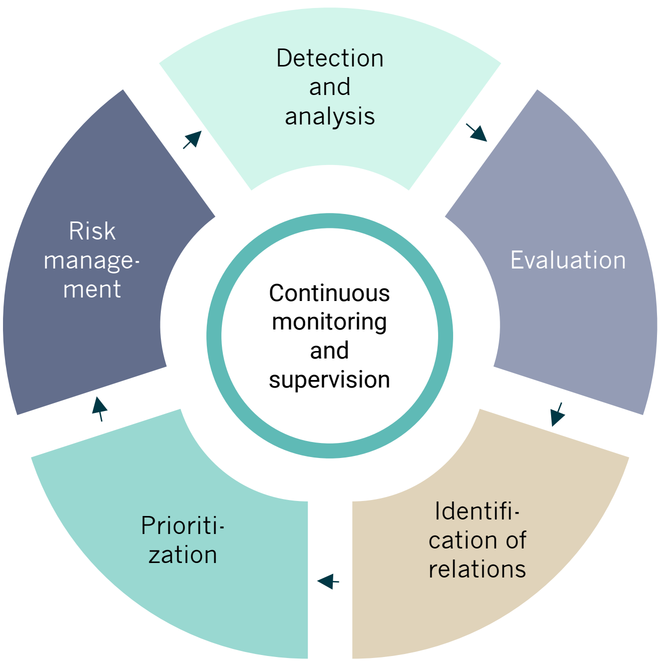
Risk is defined as a possible future event or scenario that may impact the achievement of the Group's and/or its subsidiaries' objectives. As the largest retail company in Estonia, the Group and its subsidiaries encounter potential risks in their daily operations, and the goal is to successfully identify, assess, measure, report, manage, and mitigate these risks.

The broader aim of risk management is to find an optimal balance between potential damage or forgone profit and the resources spent on reducing risks. As a general principle, risk prevention is typically preferred over reacting to a risk event after it has occurred.

Risk management within the Group is guided by a unified methodology that regulates the identification, assessment, reporting, prioritization, and handling of risks. This methodology is described in more detail under the risk management process. The Group's ability to identify, measure, and control various risks has a significant impact on its profitability.

The basis for identifying risks lies in the analysis of the Group's business activities, strategy, management, internal processes, the surrounding economic environment, and regulations. Identified risks are categorized into the following risk categories: strategic risks, operational risks, legal and compliance risks, and financial risks. The executive management consistently engages in the identification and assessment of risks, taking into account the risks related to the Group's and subsidiaries' strategy, workforce, and business processes.

Risk management process:



Risk identification and assessment is performed annually in all companies of the Group. The Supervisory Board and the Audit Committee supervise the risk management process as a whole. The Audit Committee advises the Supervisory Board on supervision and makes proposals on the risk management process as necessary. Both the Audit Committee and the Supervisory Board receive regular reports on, among other things, the content, assessments, and mitigation measures of risks.

Executive management identifies and analyses risks, prepares mitigation plans, and, if necessary, makes proposals for allocating resources to address significant risks. The Internal Audit Department, together with the executive management, promotes risk awareness and the transfer of risk management to processes and employees. The Head of the Internal Audit Department coordinates risk management activities and regularly reports the results to the Audit Committee.

We consider the main risks to be those that may have a negative short-term and/or long-term impact on the Group's financial results, reputation, business model, and strategy. When assessing key risks, it is important for us that the Group's risks are identified as early as possible and included in the existing risk management assessment, measurement, and monitoring.

We have classified the following risks as the main risks: economic environment, competition, climate risks, risks arising from the company's operations, and IT risks. In the case of risks in the economic environment, we assess the market conditions, as well as changes in macroeconomic factors and trends. In 2025, the most significant risk factors were the ongoing complex geopolitical situation and economic uncertainty.

The main risks of the Group include climate risks, which are divided into risks related to the transition to a climate-neutral economy (e.g. legislation, regulations, investments) and the risks related to the direct effects of climate change (e.g. natural disasters, power outages, unstable situation in the country). In 2025, the changes arising from legislation and regulations and the impact of climate change on the supply chain were deemed the most significant climate risks. The risks related to competition include changes in the market, such as the entry of new competing companies, changes in market preferences, and low investment in development. We consider risks arising from the Group's operations to include risks related to work processes, management and forecasting. In addition, it is important to pay attention to safety, quality, inventory management and supply chain-related risks. Labour-related risks also remain significant.

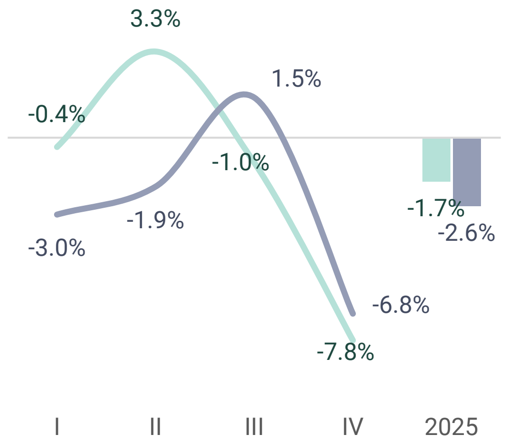
The focus of IT risks is on cybersecurity, the protection of personal data and the prevention of data leaks, as well as the uninterrupted functioning of systems. In view of technological developments, we also consider it important to assess risks associated with artificial intelligence.

The most significant risks are described in detail below.

Economic environment

The development of the retail sector is closely linked to overall economic growth and conditions. The situation in retail trade in Estonia remained challenging throughout 2025. A prolonged economic downturn lasting several years has left a clear mark on consumer behaviour, with price sensitivity and more cautious purchasing decisions continuing to play a significant role. The Group has focused on strengthening its financial position and adapting business processes to cope with fluctuating demand and cost pressures. The impact of the uncertain economic environment is reflected in the day-to-day operations of the Group's stores, including, among other things, a higher share of promotional products in customers' shopping baskets and an increase in theft incidents, which reflect consumers' overall caution and constraints on purchasing power. The Group's stores are monitored by its professional security segment company Viking Security, which has long-standing experience in the retail sector and employs modern video surveillance technology and expertise to prevent and detect theft at an early stage. The motor vehicle tax that entered into force in Estonia from 2025 has had a significant impact on the economic performance of the Group's car segment operations in Estonia. Uncertainty preceding the introduction of the tax, combined with the clarification of its details only in the second half of 2024, led to a partial bringing forward of demand to the end of 2024, followed by a decline in market activity in 2025. Consumers postponed larger purchases in anticipation of improved economic conditions and greater confidence.

According to Statistics Estonia, gross domestic product increased by 0.9% in the third quarter of 2025 compared to the same period of the previous year. The largest positive contribution to the economy came from manufacturing, followed by energy and real estate activities. Retail and wholesale trade, transportation and storage, and human health and social work activities had a negative impact. Analysts consider the Estonian economy to be in recovery. In 2026, economic growth is expected to be driven primarily by strengthening demand in foreign markets and government-led stimulus measures. Changes to income tax will leave people with more disposable income, while government spending will add momentum to the economy. The positive outlook is also supported by lower interest rates, improved lending conditions and a slowdown in price growth. According to the latest economic forecast of Eesti Pank, economic growth will accelerate to 3.6% in 2026, but will gradually slow as fiscal stimulus is withdrawn, reaching 2.5% by 2028. The economic outlook continues to be constrained by the tense geopolitical situation and uncertainty regarding the future balancing of public finances. Tax increases implemented in 2025 significantly accelerated price growth in Estonia, accounting for nearly half of the total increase in consumer prices. According to Statistics Estonia, the Estonian consumer price index rose by 4.8% in 2025 compared to the average of 2024. The index was most affected by the increase in the prices of food and non-alcoholic beverages, which rose by 6.9% year on year. At the same time, the prices of clothing and footwear fell by an average of 3.7%. The slowdown in inflation, the increase in the tax-free income threshold, the abolition of the so-called tax wedge and the reduction of the motor vehicle tax for families with children will increase households' purchasing power. According to Eesti Pank's forecast, prices will rise by 2.9% this year and by 2.4% in 2027. Analysts note that the long-standing pessimism among consumers is gradually easing. According to Statistics Estonia, the average gross monthly wage in the third quarter of 2025 was 2,075 euros, which is 5.9% higher than in the same period of the previous year. Eesti Pank forecasts wage growth of 5.4% in 2026. Although the growth of the average gross wage is slowing, income tax changes will lead to a sharp increase in net income. In 2026, the average net wage is expected to grow approximately twice as fast as the gross wage due to legislative changes, reaching around 10%. Together with the slowdown in price growth, purchasing power is expected to improve significantly.



According to Statistics Estonia, total sales revenue of trading enterprises at current prices in Estonia declined by 1.7% in 2025. Sales of motor vehicles and their parts and accessories decreased by 15.9%, while maintenance and repair of motor vehicles increased by 4.2%. Sales revenue in non-specialised stores (predominantly food goods) grew by 2.1% in 2025. Volume sales in retail trade (excluding motor vehicles and motorcycles) increased by 2.2%. The volume of new passenger car sales in the Baltic States increased by 5.9% in total in 2025, although developments varied significantly by country. According to AMTEL data, 13,055 new passenger cars were sold in Estonia in 2025, which was 48.6% below the level of 2024. The decline in sales was primarily driven by the introduction of the motor vehicle tax and the general weakening of consumer confidence. At the same time, sales of new passenger cars increased by 31.4% in Latvia and by 39.3% in Lithuania.

Seasonality of business

There are minor seasonal fluctuations in the business operations of the Group. Characteristically for retail trade, the sales revenue of the first quarter is about 7% lower and the sales revenue of the fourth quarter is about 4% higher than the average sales revenue of the quarters. Historically, seasonality has some effect on sales revenue in the fourth quarter, when sales revenue accounts for approximately 26% of the annual sales revenue. Traditionally, the first quarter of the year is weaker due to the seasonal discount in the fashion trade. The long-term business experience of the Group allows safe management of the business risk caused by seasonality.

Competition

The Estonian retail market is characterised by very intense competition. In the supermarket segment, competition in Estonia is the most intense and margins are the lowest among all Baltic States. The business environment of recent years, marked by economic contraction and rising prices, has increased consumers' uncertainty about the future, making them more cautious and cost-conscious. Despite the slowdown in price growth in 2025, price levels remained high and consumers sought savings through discounted prices and optimisation of their shopping baskets. This, in turn, has contributed to the growing success of discount retail chains. In the supermarket segment, one store was closed at the beginning of 2025, but this did not have a material impact on the segment's market share. In the comparative base period of the reporting year, two new stores were opened in 2024. As at the end of 2025, Selver AS ranked among the three largest retail chains in the market segment for non-specialised stores (predominantly groceries, tobacco and alcohol), with a market share of 16.3%.

The key to maintaining market share lies in meeting customer expectations in terms of product assortment, pricing and shopping convenience. Through initiatives such as "Consistently good regular prices", "Best price of the week", "Golden Wednesday", the introduction of affordable brands, other promotional campaigns and Partner Card discount offers, the Group aims to guide customers towards a more affordable shopping basket without compromising on product quality. Strong emphasis is placed on the development of Selver Köök private-label products, with the objective of offering high-quality and healthy ready meals at competitive prices. The commissioning of the new logistics centre enables more flexible assortment management, better alignment with customer needs and improved product availability. In 2026, plans include upgrading the supermarket network through the renovation of one store, opening two new stores, and enhancing the functionality of the Partner App to further improve customer shopping convenience.

Personal Data Protection

The processing of personal data in the Group's operations is carried out in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council (the General Data Protection Regulation, GDPR), the Estonian Personal Data Protection Act and other applicable legislation. The Group treats the protection of personal data as an integral part of its day-to-day business activities, and activities related to the processing and protection of personal data are integrated into management, IT and legal control processes.

The Group's Data Protection Officer is involved in the review of information system developments, assesses risks related to new technological solutions, advises and trains business units, and acts as the contact person for data subject enquiries and for the Estonian Data Protection Inspectorate.

The Group has established an internal data protection policy and clear data processing procedures, compliance with which is regularly monitored by internal audit.

Financial risks

The operations of the company may be accompanied by several financial risks with liquidity risk, credit risk, and market risk (incl. exchange rate risk and interest rate risk) having the most significant impact. Financial risk management falls within the sphere of competence of the company's management board and includes the identification and measurement of the risks and checking the efficiency of the alleviation measures. The purposes of financial risk management are the alleviation of financial risks and the reduction of the volatility of the financial results. The financial risk management of the company is guided by the risk management strategy established in the Group. The supervisory board of the company is in charge for supervision of the measures taken by the management board to alleviate the risks.

To ensure the efficient availability of liquidity—sufficient financial resources to meet the company's obligations—the parent company, TKM Grupp AS, and its subsidiaries operate a unified group cash pool. This system allows participating companies to access the group's funds within agreed limits. As at the end of the financial year, the Group had cash and cash equivalents amounting to 29,516 thousand euros (2024: 45,454 thousand euros). As at 31 December 2025, working capital was negative at 14,161 thousand euros (2024: positive 17,422 thousand euros). At the end of 2025, the volume of short-term loan liabilities increased significantly due to the final instalments of several long-term loans maturing in 2026, amounting to 32,129 thousand euros, which are classified as current liabilities as at year-end. The loans maturing in 2026 are planned to be refinanced during 2026. The Group continues to have a strong daily operating cash flow as a source for covering its short-term liabilities. In the management's assessment, the company does not face liquidity issues.

Credit risk refers to the risk of financial loss due to a counterparty's failure to meet its contractual obligations related to financial instruments. The company is exposed to credit risks arising from its business activities (mainly trade receivables) and investment activities, including deposits in banks and financial institutions. Due to the nature of retail, the Group is not significantly exposed to credit risk. As of 31 December 2025, the maximum credit risk exposure was represented by receivables amounting to 21,081 thousand euros (2024: 25,641 thousand euros).

Foreign exchange risk refers to the potential impact of exchange rate fluctuations on the fair value of financial instruments or cash flows. At the end of the reporting period, the company had no significant financial assets or liabilities denominated in currencies other than the euro.

Interest rate risk arises when an increase in interest rates significantly impacts the company's financial performance by raising interest expenses on obligations. The company's interest rate risk mainly stems from long-term floating-rate loans linked to EURIBOR. The six-month Euribor, which stood at 2.562% at the beginning of the reporting year, declined to 2.107% by the end of the reporting year. According to economic analysts, the same stable trend is expected to continue in 2026, with the six-month Euribor rate remaining at around 2% throughout the year. If the interest rates on floating-rate financial liabilities had been 1 percentage point higher as at 31 December 2025, the company's finance costs would have increased by 1,716 thousand euros.

A more detailed description and explanation of the Group's main financial risks can be found in Note 4 of the financial statements.

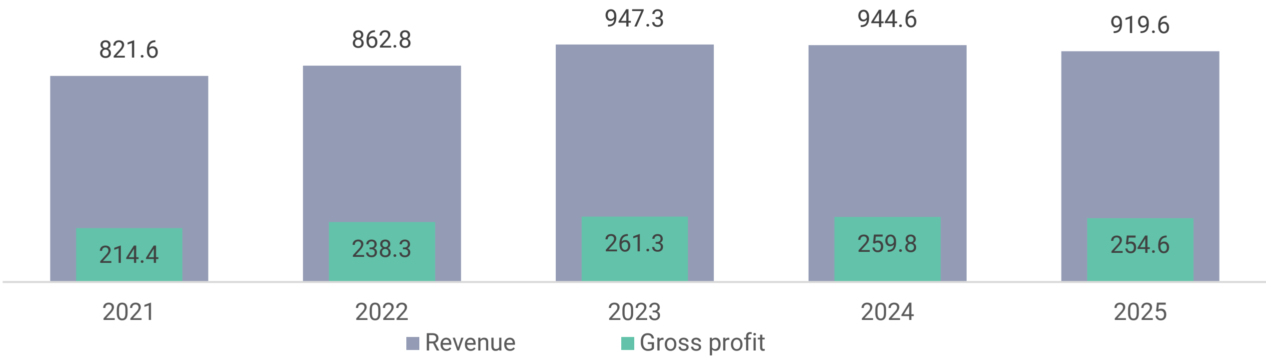
Financial performance

FINANCIAL RATIOS 2021-2025

In millions, EUR	2021	2022	2023	2024	2025
Revenue	822	863	947	945	920
Change in revenue	11%	5%	10%	0%	-3%
Gross profit	214	238	261	260	255
EBITDA	80	79	93	91	77
Operating profit	41	40	52	48	35
Profit before tax	36	35	43	35	24
Net profit	32	29	37	27	18
Change in net profit	64%	-8%	27%	-27%	-36%
Sales revenue per employee	0.169	0.184	0.201	0.198	0.194
Gross margin	26%	28%	28%	27.5%	27.7%
EBITDA margin	10%	9%	10%	9.6%	8.4%
Operating margin	5%	5%	6%	5%	4%
Profit before tax margin	4%	4%	5%	4%	3%
Net margin	4%	3%	4%	3%	2%
Equity ratio	38%	37%	38%	37%	38%
Return on equity (ROE)	14%	12%	15%	10%	7%
Return on assets (ROA)	5%	5%	6%	4%	2%
Return on capital employed (ROCE)	9%	9%	11%	9%	6%
Current ratio	0.8	0.7	1.0	1.1	0.9
Debt ratio	0.6	0.6	0.6	0.6	0.6
Inventory turnover	8.3	7.9	7.3	7.0	6.7
Average number of employees	4,864	4,697	4,724	4,769	4,743

Gross profit	*= revenue – cost of sales*
Gross margin	*= gross profit / revenue* 100%*
EBITDA	*= profit before finance income/costs and depreciation*
EBITDA margin	*= EBITDA / revenue * 100%*
Operating margin	*= operating profit / revenue * 100%*
Profit before tax margin	*= profit before tax / revenue * 100%*
Net margin	*= net profit / revenue * 100%*
Revenue per employee	*= revenue / average number of employees*
Equity ratio	*= equity/ balance sheet total * 100%*
Return on equity (ROE)	*= net profit / average equity * 100%*
Return on assets (ROA)	*= net profit / average assets * 100%*
Return on capital employed (ROCE)	*= operating profit / (average assets - average current liabilities) * 100%*
Inventory turnover (ratio)	*= cost of sales / average inventories*
Current ratio	*= current assets / current liabilities*
Debt ratio	*= total liabilities / balance sheet total*

The Group's sales revenue and gross profit 2021 - 2025 (in million euros)



The Group's audited consolidated sales revenue for 2025 amounted to 919.6 million euros, representing a decrease of 2.6% compared to 2024, when sales revenue totalled 944.6 million euros. The Group's profit before tax for 2025 was 24.3 million euros, declining by 31.4% year on year. Net profit amounted to 17.5 million euros, representing a decrease of 36.1% compared to the previous year.

In a challenging economic environment and amid declining turnover volumes, the Group generated a profit in almost all business segments in 2025. Only the department stores segment recorded a small loss. As expected, the Group's sales revenue was most significantly affected by the substantial decline in the sales revenue of the car segment. The motor vehicle tax introduced in Estonia during the reporting year and the resulting sharp decrease in demand led to a significant contraction in new passenger car sales, with total car sales in Estonia declining by 48.6% for the year and by as much as 62.4% in the fourth quarter. Despite the difficult market situation, the Group's car segment sales revenue for 2025 as a whole was 11.9% lower than in the previous year. Weakness in the Estonian market was partially offset by more stable sales results of the subsidiaries in Latvia and Lithuania. In the continuing cooling economic environment, the supermarket segment recorded a slight increase in sales revenue, while the department stores segment showed some decline. Continuous improvement of work processes and optimisation of the supply chain in cooperation with the logistics centre have helped to keep labour costs under control. Labour costs increased by 3.7% for the year as a whole. The Group has also kept other operating expenses stable, with annual growth of 0.2%. Net profit was positively affected by a decline in interest on the Group's borrowings, providing relief of 1.5 million euros for the year compared to the previous year. The company's income tax expense decreased by 1.2 million euros in 2025 due to the recalculation of deferred income tax in accordance with International Financial Reporting Standards applicable in Estonia and Latvia. The comparative base year included one-off profit of 4.0 million euros, of which 2.1 million euros resulted from the revaluation of investment properties and 1.9 million euros from extraordinary profit arising from the sale of two non-core properties in the Group's real estate segment in Latvia.

At the end of the reporting period, the number of loyal customers exceeded 750 thousand, increasing by 0.9% year on year. The share of loyal customers in the Group's turnover amounted to 86.1% (2024: 86.0%). In autumn of the reporting year, the use of "Pay later" solutions was expanded to Viking Motors AS, the Group's car segment company in Estonia, offering customers more flexible options for paying for vehicle maintenance and repair services. The instalment solution allows the cost of services to be divided into three or six equal instalments at no additional cost, while hire purchase enables payments to be spread over up to 36 months, supporting better cash flow planning for customers.

As of 31 December 2025, the Group's total assets amounted to 698.0 million euros, reflecting a 1.3% decrease compared to the end of 2024, excluding the impact of IFRS 16.

Investments

The Group's total investments in 2025 amounted to 25.5 million euros (36.6 million euros in 2024). Of this amount, 23.5 million euros were invested in tangible fixed assets, 1.5 million euros in intangible assets, and 0.5 million euros in investment property.

In the Selver supermarkets business segment, investments of 4.1 million euros were made in 2025 (6.7 million euros in 2024). During the reporting period, Jõgeva Selver underwent a comprehensive refurbishment. In addition, computer equipment was acquired and the fittings and security systems of Selver stores were upgraded.

In the department stores business segment, investments amounted to 1.5 million euros (4.3 million euros in 2024). During the reporting period, the Children's World department at the Kaubamaja Tallinn department store underwent refurbishment, and the Anni Arro café was opened in the Women's World department at the Tallinn department store. In addition, computer equipment was purchased and store fittings were upgraded. During the reporting period, the Group continued to modernise its website, the Partner Card website, the Partner Kuukaart and e-shop platforms, and to improve related services. A number of technological upgrades were implemented, enhancing the convenience and functionality of the digital customer experience.

Total investments in the car segment during the reporting period amounted to 2.6 million euros (1.5 million euros in 2024).

The most significant investment of the year was the completion of a new multi-brand dealership in Vilnius, where sales and servicing of KIA and Škoda vehicles commenced. In addition, construction of a bodywork workshop adjacent to the Peetri car dealership continued.

In the security services business segment, 0.4 million euros were invested in tangible fixed assets in 2025 (0.4 million euros in 2024), used to enhance the technical solutions of guarding services.

Investments in the real estate business segment amounted to 14.8 million euros (21.2 million euros in 2024). During the reporting period, a new multi-brand car centre was completed in Lithuania, bringing KIA and Škoda sales and service operations together under one roof. In Estonia, construction of the bodywork workshop building adjacent to the Peetri car dealership continued. Several store building renovation projects were initiated with the aim of modernising technical solutions and aligning the buildings with current business needs. Renovation works also improve the energy efficiency of the buildings. Preparations were made for the expansion of Laulasmaa Selver.

Business segments

in millions, EUR	2024	2025	%
Revenue	**944.6**	**919.6**	**-2.6%**
Supermarkets	610.4	611.9	0.3%
Department stores	104.2	103.0	-1.1%
Car Trade	200.8	176.9	-11.9%
Security segment	21.9	20.1	-8.1%
Real Estate	7.3	7.7	5.1%
EBITDA	**90.7**	**77.4**	**-14.7%**
Supermarkets	29.3	24.2	-17.4%
Department stores	3.7	3.4	-8.4%
Car Trade	13.6	8.1	-40.3%
Security segment	1.0	0.6	-37.1%
Real Estate	20.1	17.0	-15.4%
IFRS 16	22.9	24.0	4.6%
Net profit/-loss	**27.5**	**17.5**	**-36.2%**
Supermarkets	15.5	9.5	-38.6%
Department stores	-0.3	-0.5	47.6%
Car Trade	9.5	4.3	-54.4%
Security segment	0.2	0.0	-117.8%
Real Estate	5.2	6.3	20.5%
IFRS 16	-2.6	-2.1	-21.0%

Supermarkets

The consolidated revenue of the supermarket business segment in 2025 was 611.9 million euros, increasing by 0.3% year on year. The supermarket segment's consolidated profit before tax for the reporting year amounted to 12.2 million euros, which was 3.8 million euros below the comparative base. Net profit for 2025 totalled 9.5 million euros, declining by 6.0 million euros compared to the previous year. The average monthly sales revenue of goods per square metre of sales area in 2025 was 0.40 thousand euros (comparable figure in 2024: 0.41 thousand euros). On a comparable stores basis, the average monthly sales revenue of goods per square metre of sales area in 2025 was 0.41 thousand euros (the same figure in 2024 was also 0.41 thousand euros). A total of 44.4 million purchases were made in stores in 2025, remaining at the level of the previous year.

When analysing the financial results, it should be taken into account that the comparative data for the period under review do not fully reflect the operations of the Raadi and Rocca al Mare Selver stores, which were opened at the end of August 2024. At the same time, the base data include the results of Maardu Selver, which was closed in February 2025. Financial performance in the final quarter of the year was negatively affected by the renovation and expansion of Jõgeva Selver, which involved one-off additional costs and a temporary suspension of sales activities. Selver's sales results continued to be influenced by the general weakness of the Estonian economy and the retail environment, as well as by the decline in customers' purchasing power resulting from increases in income tax and the VAT rate. According to Statistics Estonia's

2025 data, sales revenue at current prices in the retail segment of non-specialised stores, where food products, tobacco and alcohol predominate, increased by 2.1%, while sales volumes have remained in decline at approximately 3.5%. Selver's sales revenue growth was slower than that of the market segment. The main reasons for the decline were the increased share of promotional products and products with a lower price image in the shopping basket, as well as a deeper decline in sales of everyday consumer goods and industrial goods. The 2025 financial results were affected by a decrease in sales volumes. At the same time, the segment has successfully coped with pressure from rising input prices for various services and materials and with the optimisation of expenditure volumes, as a result of which operating expenses increased by only 1.6%. Pressure on wage costs and sales revenue growth lagging behind wage growth have led to a slight decline in labour efficiency.

The supermarket segment continues to operate responsibly and with a strong commitment to sustainability, with the aim of continuously improving its activities to reduce environmental impact. The recently renovated Jõgeva Selver has taken a major step towards sustainability by switching to energy-efficient solutions that reduce the store's environmental footprint by approximately one third. The building's refrigeration systems were converted to a CO_2-based solution, the waste heat of which is smartly used for heating premises and water. Across the segment, optimisation of product assortments and processes remains a key focus. To better adapt to changing customer demand, Selver added the Scandinavian white-label brand First Price to its assortment this year; the brand is available exclusively at Selver and Delice. The First Price range represents affordable pricing and reliable Scandinavian quality, expanding the selection of the most competitively priced everyday products. During 2025, the logistics centre established in Maardu in 2024 was brought fully into operation. Focus also remains on increasing activity volumes on the Bolt Market and Wolt platforms and on the further development of Selver's e-shop. The circular economy is also supported, as mono-material bags are used at the baking points of all Selver stores. This improvement makes subsequent sorting and recycling of packaging significantly easier for consumers.

As at year-end, the supermarket segment comprised 72 Selver stores, 2 Delice stores, a mobile store and a café, with a total sales area of 124.1 thousand m². In addition, the segment includes e-Selver, Estonia's e-shop with the largest service area, and the central kitchen Kulinaaria OÜ.

Department stores

The sales revenue of the department stores business segment in 2025 amounted to 103.0 million euros, representing a decrease of 1.1% compared to the previous year. The segment recorded a loss before tax of 0.5 million euros in 2025, which was 0.2 million euros lower than the result a year earlier.

The average monthly sales revenue per square metre of sales area at Kaubamaja department stores in 2025 amounted to 0.32 thousand euros, which was 0.7% lower than in the previous year. In 2025, promotional campaigns performed consistently very well, with both the autumn Ilu Aeg campaign and Osturalli proving to be the most successful to date. However, fourth-quarter results were negatively affected by warmer-than-average winter months, which reduced demand for winter boots and warm outerwear, while the first frosts only arrived at the beginning of 2026. In Kaubamaja's food retail operations, the distinctive product assortment compared to competitors continued to attract new loyal customers to the Food Worlds. December delivered the best results of all time for Kaubamaja Food Worlds. In November, a completely renewed café was opened in the Women's World area in cooperation with top chef Anni Arro, which generated increased interest among Kaubamaja visitors. In the first months of the year, renovation works were carried out on two floors of Tallinn Children's World, and in March the department was reopened with a fully renewed concept. New brands and lifestyle-based displays were introduced, attracting strong customer interest. Kaubamaja has also received positive attention from exclusive special collections available only at Kaubamaja. During the spring season, an exclusive anniversary collection was launched in cooperation with Lilli Jahilo, the autumn campaign featured a jewellery collection by Sigrid Kuuse, and a new PAI bedding collection designed by Kätlin Kaljuvee. Customer interest in the e-shop sales channel increased significantly, showing double-digit growth compared to the previous year.

The sales revenue of OÜ TKM Beauty Eesti, which operates the I.L.U. cosmetics stores, amounted to 8.2 million euros in 2025, representing a decrease of 5.4% compared to 2024. The loss for 2025 amounted to 0.15 million euros, which was 0.39 million euros weaker than the result of the previous year. Continued consumer caution in purchasing decisions and high price sensitivity also characterised fourth-quarter sales. Christmas sales likewise fell short of expectations; at the same time, meeting customer expectations required more aggressive pricing campaigns, which reduced sales margins. The focus was on optimising inventory levels and shaping an appropriate brand portfolio for stores operating under the new concept. In addition, during the reporting year the key development activities of the renewed e-shop, offering broader marketing opportunities, were completed, with the launch scheduled for the first quarter of 2026.

Car segment

The sales revenue of the car business segment in 2025 amounted to 176.9 million euros, representing a decrease of 11.9% compared to the previous year. A total of 5,140 new vehicles were sold during the year. Profit before tax for 2025 amounted to 5.7 million euros, which was 48.5% lower than the result of the previous year.

The year 2025 proved to be highly uneven in the Baltic car market. The Estonian passenger car market declined by approximately 50% year on year, while the markets in Latvia and Lithuania grew by around 30% and 40%, respectively. Towards the end of the year, the downturn in the Estonian car market deepened further. The decline in sales volumes resulting from the collapse of the Estonian market was partially offset by the Group's cross-Baltic business model in the car segment, supported by more stable retail sales in Latvia and Lithuania and the continued import of KIA vehicles across the Baltic States. The most significant event of the year was the opening of the Group's new multi-brand dealership in Vilnius, where sales and servicing of KIA and Škoda vehicles commenced. The new dealership provides a strong foundation for further growth in the Lithuanian market and across the Baltic States. In Estonia, the construction of Viking Motors' body repair workshop is progressing according to schedule, with completion planned for spring 2026, which will support the expansion of after-sales capabilities in Estonia.

At the beginning of January 2026, as a significant post-balance-sheet event, an agreement was signed to acquire Rohe Auto AS and SKO Motors OÜ, whose principal activities are the retail and wholesale sale of Škoda-branded vehicles, spare parts and accessories, as well as the provision of maintenance and repair services in the Tallinn and Harju County region. The transaction will strengthen the position of the TKM Group's car segment in Estonia and the Baltic States, create synergies and add resilience to the Group's portfolio.

Security Services

The security segment's external sales revenue in 2025 amounted to 20.1 million euros, representing a decrease of 8.1% compared to the previous year. The segment recorded a loss before tax of 0.04 million euros in 2025, which was 0.3 million euros weaker than the result for the corresponding period of the previous year.

Sales revenue, which had declined in the first half of the reporting year, returned to growth in the final months of the year, and profitability also improved. The strongest growth was recorded in manned guarding and technical project construction, where both sales revenue and profit increased. The economic environment remains challenging, with continued pressure from rising input costs, high customer price sensitivity and intense competition. The security segment is focusing on service development projects with the aim of bringing several new services to market. Improving operational efficiency and increasing sales remain key priorities.

Real Estate

The real estate segment's external sales revenue in 2025 amounted to 7.7 million euros, increasing by 5.1% compared to the previous year. In 2025, the real estate segment generated profit before tax of 9.0 million euros, which was 18.4% lower than in the prior year.

Sales revenue growth in 2025 was primarily supported by the addition of rental income from the logistics centre leased to an external third party, which commenced operations at the end of 2024. The decline in profit during the reporting period was caused by comparative data that included one-off gains. Income in the comparative period reflects a gain of 1.9 million euros from the sale of the Ogre and Rēzekne commercial properties to external parties by the Latvian real estate company at the end of the previous year, as well as an annual gain of 2.1 million euros from the revaluation of assets to fair value. Changes in the fair value of assets did not have a material impact on profit in 2025, with revaluation gains amounting to 0.4 million euros. Profit for the reporting period was also positively affected by lower borrowing costs, as interest expenses in the segment declined by one quarter.

In cooperation with Enefit Volt, the installation of public electric vehicle charging stations in the car parks of Selver stores and shopping centres is continuing. Throughout 2025, marketing activities were consistently centred on the 20th anniversary of Tartu Kaubamaja and the 10th anniversary of Viimsi Centre, with the celebrations placing strong emphasis on engaging the local community. An important event at the beginning of the year was also the opening of a Vapiano restaurant in Viimsi Centre, which enhanced the centre's attractiveness for customers and increased footfall.

The logistics centre completed in autumn 2024 was awarded a BREEAM Excellent certification in June and confirmed as compliant with A energy class requirements under the EU Taxonomy. In Vilnius, construction of the new KIA and Škoda dealership and service building was completed at the end of the year, and the showroom was opened for customer service. Extension and reconstruction works are ongoing at Laulasmaa Selver. In spring 2026, a bodywork workshop building adjacent to the KIA sales and service centre in Peetri, near Tallinn, will be completed.

Strategy

TKM Group strategy 2026 – 2030

TKM Group's strategy is focused on achieving the company's vision—to be the most diverse and profitable retail group in Estonia, offering high-quality products and services. The Group is committed to meeting customer needs and driving continuous innovation while striving for sustained profitability and market share growth. The strategy includes a flexible approach to customer demands and process optimisation. Increasing emphasis is also placed on environmental awareness and sustainability, reducing the ecological footprint to support long-term success and responsible business practices.

- We focus on developing our stores and services to meet customer expectations, enhance the shopping experience and customer service, and create synergies across different segments.
- We invest in technology, e-commerce, self-service, and smart security solutions to provide convenience for customers and improve efficiency.
- We work towards reducing our ecological footprint.
- We offer our employees training and development opportunities, supporting continuous growth.
- We manage our real estate portfolio with a future-oriented approach, ensuring it creates added value for the Group's core business.

Segments strategy and directions for the coming years

The objective of the supermarket segment is to provide Estonian customers with a preferred and high-quality grocery retail experience that forms the basis for profitable operations and the maintenance of market position. Continued attention is paid to preserving the Group's reputation as a good employer and to improving its price image, while at the same time strengthening the premium product assortment. Assortment development is guided by changes in customer purchasing preferences, with a focus on the efficient operation of all store formats and strong emphasis on cost management. During the reporting year, the transition to centralised deliveries and the logistics centre created the preconditions for further development of the supply chain. In 2026, the focus will be on further harmonising and streamlining delivery processes to improve product quality and freshness, ensure faster and more consistent delivery of goods to stores, and support further optimisation of store labour costs. The strategic objective of the central kitchen Kulinaaria is to continuously enrich the Selver and Kaubamaja assortments with both existing and new products, as well as to develop cooperation with strong external partners and sales channels. In 2026, the renovation of Laulasmaa Selver in Harju County is planned to be completed, resulting in an expansion of the store's sales area. In the autumn of the same year, a new store is scheduled to open in Loo borough in Jõelähtme Parish, followed by the opening of a new store on Papiniidu Street in Pärnu at the end of the year. In addition, the conversion of refrigeration equipment in one store to a CO_2-based system is planned, supporting more cost-efficient operations and helping to reduce environmental impact.

The primary strategic objective of the department stores segment is to maintain and grow market share in the traded product categories and to retain its status as a development leader in the Estonian retail sector. In Tallinn, plans for the construction of a new department store building continue. In 2026, Kaubamaja will focus on developing sales environments and upgrading technological capabilities. At the Tallinn department store, plans include refreshing the Men's World sales environment and renovating the jewellery area of the Beauty World, with the aim of offering customers a more modern and clearly structured shopping experience. At the Tartu department store, the design phase for the renovation of the Beauty World and Women's World will commence, creating the preconditions for subsequent development stages. In addition, the reporting period includes a focus on selecting a new checkout system to support more efficient sales processes and improved service quality. Within the department stores segment, the beauty products business focuses on sustainable and profitable market share growth in the premium and mid-priced beauty segment, strengthening the brand and expanding the customer base. To support these objectives, the main development work of the renewed e-shop, offering broader marketing opportunities, was completed during the reporting year, with the launch scheduled for the first quarter of 2026. The new e-channel will support stronger brand presentation, more personalised customer engagement, and better integration of digital and physical sales environments.

In the car segment, the focus is on the import of KIA passenger vehicles in the Baltic States and on the retail sale and after-sales servicing of vehicles in Estonia, Latvia and Lithuania, while continuing cooperation with other core brands, including Škoda and Peugeot. The key priorities are increasing profitability and the consistent development of a strong and competitive dealer network. At the beginning of 2026, an agreement was concluded to acquire shareholdings in Rohe Auto AS and SKO Motors OÜ. Following the fulfilment of the transaction conditions and completion of the acquisition, the focus will be on the smooth integration of these companies and their operations into the Group's car segment and on creating synergies, with the aim of strengthening the position of the Škoda brand in Tallinn and Harju County and harmonising the Group's brand portfolio. In Lithuania, the ramp-up of the new car centre will continue, supporting the strengthening of the Group's presence in that market. In Estonia, plans include completing the construction of the new body repair facility and commencing its operations, thereby improving service capacity and supporting the growth of after-sales services. These developments create the preconditions for the long-term development of the car segment, offering customers a broader range of choices and strengthening the Group's competitive position.

The strategic focus of the security segment is on increasing market share and profitability by offering high-quality security solutions and services, while maintaining an attractive employer brand. Attention is directed towards identifying opportunities to expand into new profitable areas of activity and further developing the existing service portfolio. Investments in technology and the implementation of more efficient digital solutions are planned throughout the year. The continuous development of the service and control centre, together with the strengthening of customer management, supports the delivery of an improved customer experience. To promote revenue growth, sales and marketing activities will be expanded.

In the real estate segment, the Group will continue the targeted management and development of real estate assets that support its core business activities, with a primary focus on projects intended for own use. At the same time, developments based on the needs of external tenants will also be implemented to increase the value of existing properties. In the coming years, the focus will be on the construction of new commercial buildings in line with the needs of the Group's core businesses, utilising opportunities to expand existing buildings, and the efficient management of the real estate portfolio, with continued attention to energy efficiency and the reduction of environmental impact. In 2026, the completion of the expansion and reconstruction works at Laulasmaa Selver in Harju County will be a key priority, supporting both the further development of the store and the improved functionality of the property. In addition, in spring 2026 a new body repair workshop building adjacent to the KIA sales and service centre in Peetri, near Tallinn, will be completed, strengthening the service capacity of the Group's car segment and creating additional value within the real estate portfolio.

The development of the Group-wide retail customer loyalty programme, Partnerkaart, remains an important priority. The focus is on managing customer loyalty in an increasingly personalised and two-way manner, offering solutions that support a more convenient and seamless shopping experience. The partner programme will focus in 2026 on a broader application of artificial intelligence than previously, to provide customers with more personalised recommendations and offers and thereby improve the efficiency of both digital self-service environments and service processes. The focus will be on data-driven improvements to the customer experience, further development of the Partnerkaart app with the aim of making it the customer's primary digital shopping assistant, as well as expanding the customer base.

In the area of sustainability, increasing attention is required in response to various European Union regulatory requirements. Existing regulations are being updated and new ones introduced, which also affect the Group. A key focus remains data quality, with continued efforts to improve and develop processes to gain an overview of the current situation with reduced time input. The development of the sustainability platform supports improved accessibility and quality of data. In 2025, the TKM Group's Sustainability Strategy 2030 was updated and reviewed, defining the Group's focus areas and objectives through to 2030.

The Group's operations and the implementation of its business strategy are most significantly influenced by risks arising from the economic environment and competitive conditions, as well as IT and climate-related risks, which are described in more detail in the chapter on Business Risks.

The share

Security information

ISIN	EE0000001105
Ticker	TKM1T
Nominal value	0.40 EUR
Total number of securities	40,729,200
Number of listed securities	40,729,200
Listing date	06.09.1996

The shares of TKM Group are listed on the Nasdaq Tallinn Stock Exchange from 6 September 1996 and in the Main List, from 19 August 1997. TKM Group AS has issued 40,729.2 thousand registered shares of the same class, each with the nominal value of 0.40 euros. Common shareholders are entitled to participate in the distribution of profits. Each ordinary share gives one vote at the general meeting of shareholders of TKM Group. The shares are freely transferable, there are no restrictions imposed on them by the articles of association, and likewise, there are no restrictions imposed on the transfer of securities concluded between the company and its shareholders. There are no known restrictions imposed on the transfer of securities laid down in the contracts between the shareholders. NG Investeeringud OÜ has direct majority ownership. Shares granting special rights to their owners have not been issued.

The Supervisory Board of TKM Group have no right to issue and buy back shares of TKM Group. In addition, there are no commitments between the company and the management or employees providing for compensation in case of mergers and acquisitions under section 19' of Securities Market Trade Act.

As at the end of 2025, TKM Grupp AS had 24,958 shareholders (2024: 26,316). Over the course of the year, the investor base decreased by 1,358 investors, or 5.2%.

Shareholders as of 31.12.2025	
Number of shareholders	24,958
Number of countries represented	37
Proportion of Estonian residents	98.7%
Proportion of legal entities	7.3%
Proportion of private entities	92.7%
Proportion of representative accounts	0.2%

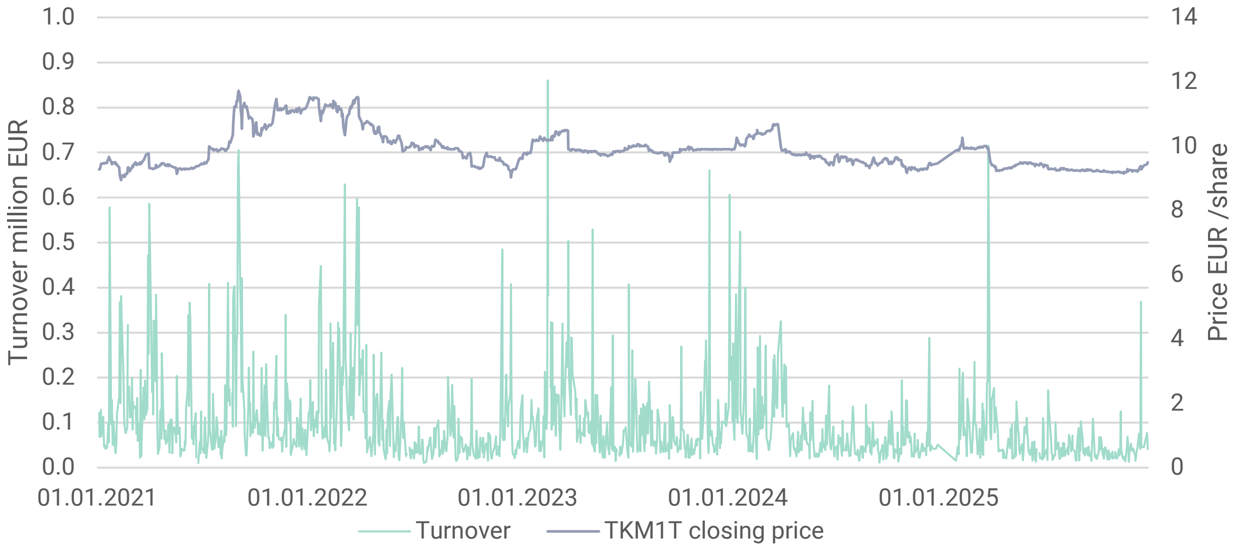
Of the Group's shareholders, 92.7% were private individuals and 7.3% were legal entities. The majority of shareholders are clearly Estonian residents and companies associated with them.

TKM Grupp AS is primarily based on Estonian capital. The majority of shares and voting rights belong to NG Investeeringud OÜ, which holds 27,328,136 ordinary shares, accounting for 67.10% of the listed securities.

Major shareholders as of 31.12.2025	Number of shares	Proportion
OÜ NG INVESTEERINGUD	27,328,136	67.1%
MARIE VAINO	899,769	2.2%
SWEDBANKI PENSIONIFOND 1970-79 SÜNDINUTELE	433,689	1.1%
SWEDBANKI PENSIONIFOND 1980-89 SÜNDINUTELE	285,919	0.7%
LUKSUSJAHT AS	202,186	0.5%
SWEDBANK AS / SWEDBANK IEGULDIJUMU PLANS 1980+	165,710	0.4%
SWEDBANK AS / SWEDBANK IEGULDIJUMU PLANS 1970+	148,922	0.4%
SWEDBANK AB CLIENTS	120,545	0.3%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	116,492	0.3%
OÜ BORBY HOLDING	106,143	0.3%

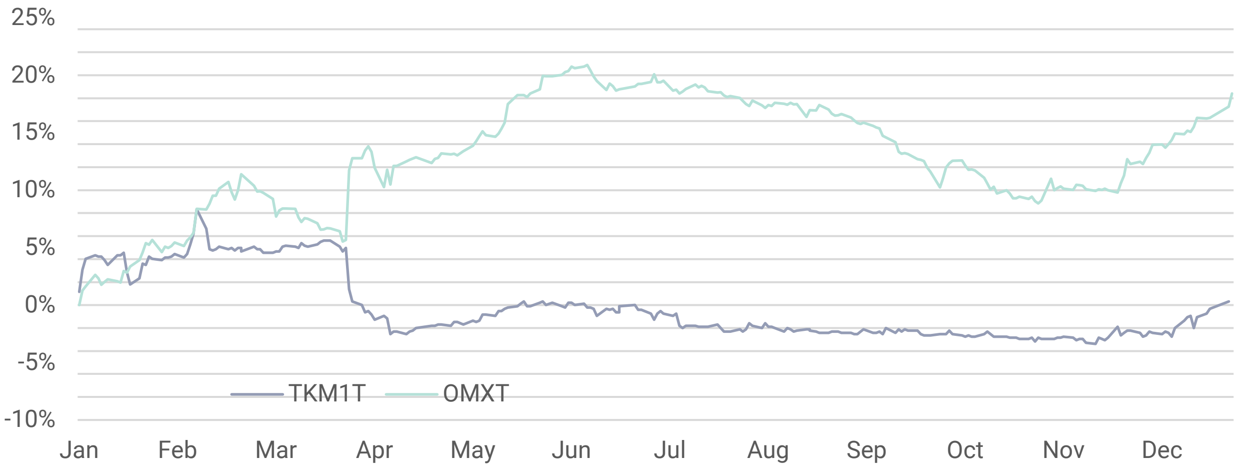
The following charts provide an overview of the movement of the share price of TKM Group, the Tallinn Nasdaq Stock Exchange index, daily turnover, as well as the market value based on market data, and the price-to-earnings ratio.

Share price and trading statistics on the Nasdaq Tallinn stock exchange from 01.01.2021 to 31.12.2025.



The Group's shares have been traded on the Nasdaq Tallinn Main List since 19 August 1997 under the trading code TKM1T and ISIN EE0000001105. The shares are freely transferable and are not subject to any restrictions under the articles of association. During the 2025 financial year, the share price fluctuated by approximately 13%. The share reached its highest level of 10.32 euros prior to the payment of dividends. The lowest price of the year was recorded in November, when the share fell to 9.10 euros. The average share price of the Group in 2025 was 9.42 euros. A total of 1,540,805 shares were traded during the year, with a total transaction value of 14,664,134.18 euros, ranking the company seventh on Nasdaq Tallinn by trading turnover and indicating moderate investor interest in the Group's shares. Based on the share price, the market capitalisation of TKM Group at the end of the reporting year amounted to 386.9 million euros (2024: 385.7 million euros), increasing by 0.32% year on year.

Price change of TKM Group share and OMX Tallinn index from 01.01.2025 to 31.12.2025.



Index/share	Opening price, EUR	Closing price, EUR	Change %
OMX Tallinn_GI	1,733.00	2,052.28	18.42%
TKM1T - TKM Group	9.47	9.50	0.32%

At the end of 2025, the TKM Group share price closed at 9.50 euros (2024: 9.47 euros), increasing by 0.32% year on year. Over the same period, the Nasdaq Tallinn index rose by 18.42%, driven by a small number of high-turnover shares. There is no comparable benchmark index or company on the Baltic stock exchange that could be considered directly equivalent to the Group.

Share trading history

In euros	2021	2022	2023	2024	2025
Average number of shares (1000 pcs)	40,729	40,729	40,729	40,729	40,729
Traded shares (1 000 pcs)	3,166	2,447	2,532	2,147	1,541
Dividend / net profit	87%	94%	78%	96%	139%*
P/E	14.3	12.9	10.8	14.0	22.1
P/BV	1.91	1.58	1.53	1.47	1.47
Opening price	9.18	11.26	9.38	9.90	9.49
Share price, highest	11.96	11.62	10.52	10.72	10.32
Share price, lowest	8.86	8.99	9.38	9.17	9.10
Share price, at the year-end	11.22	9.37	9.90	9.47	9.50
Share price, yearly average	10.02	10.24	9.92	9.73	9.42
Turnover (million)	31.7	25.6	25.3	21.1	14.7
Capitalisation (million)	457.0	381.6	403.2	385.7	386.9
Earnings per share	0.79	0.72	0.92	0.67	0.43
Dividend per share	0.68	0.68	0.72	0.65	0.60*
Equity per share	5.9	5.9	6.5	6.4	6.5

** according to profit allocation proposal*

P/E = share price at the year-end / earnings per share
P/BV = share price at the year-end / equity per share

Price to Earnings ratio was 22.1 at the end of 2025 (2024: 14.0).

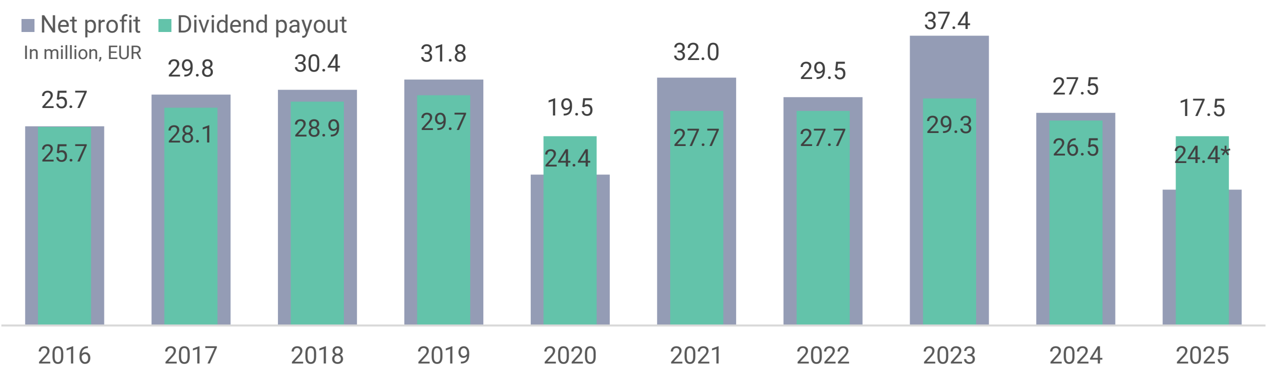
Earnings per share was 0.43 euros, decreasing by 36.2% over the year. The dividend yield (based on the average share price in 2025 and the proposed dividend) would be 6.4% for 2025, while the Group's five-year average dividend yield would be 6.8%.

Dividend policy

In recent years the Group has consistently paid dividends to shareholders. According to the notice of the general meeting of the shareholders published on 20 February 2025, the Management Board proposed to pay 26.5 million euros as dividends that is 0.65 euros per share. The general meeting of shareholders approved the proposal. The amount of a dividend distribution has been determined by reference to:

- The optimal structure of capital that is required for the Group's sustainable development;
- The overall rate of return on the local securities market;
- The dividend expectations of the majority shareholders.

Dividend pay-out history



Dividend obligation to shareholders is recognised in the financial statements from the moment the payment of dividends and the distribution of profits are approved by the general meeting of shareholders. The general meeting of shareholders was held on 17 March 2025, and the amount of the dividend payment of 0.65 euros per share from the net profit was approved.

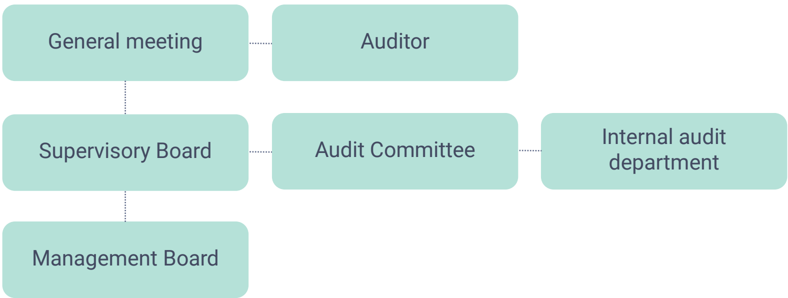
The TKM Group has no ongoing litigation that could significantly adversely affect net profit in the future and, as a result, reduce dividend payments.

Corporate Governance Report

The Corporate Governance (CG) is a set of guidelines and recommended rules prepared by Estonian Financial Supervision and Resolution Authority, which is intended to be observed mainly by publicly traded companies. TKM Group follows largely the Corporate Governance Code despite their indicative nature. Below is a description of the management principles of TKM Group and general meetings held in 2025, and justification is given in the events when some clauses of the Code are not followed.

General meeting

Exercise of shareholders' rights



The general meeting of shareholders is the highest governing body of TKM Group. The annual general meeting is held once a year and extraordinary general meetings may be convened by the Management Board in the events prescribed by law. The general meeting is competent to change the articles of association and share capital, elect members of the Supervisory Board and decide on their remuneration, appoint an auditor, approve the annual report and allocate profit, as well as decide on other matters stipulated by the articles of association and laws.

As far as the Group is aware, no agreements have been concluded between shareholders regarding the coordinated exercise of shareholder rights.

Convening the general meeting and disclosures

TKM Group published a notice convening the general meeting through information system of the Nasdaq Tallinn Stock Exchange as well as on its website on 20st of February 2025 and through a daily newspaper Eesti Päevaleht on 21st of February 2025. The Group enabled its shareholders to ask questions on the topics specified in the agenda by using the e-mail address and phone specified in the notice, and to get acquainted with the annual report, the sworn auditor's report, the profit distribution proposal, the report of the Supervisory Board, draft amendment to the Articles of Association, the introduction of the Supervisory Board member candidates, and the drafts of resolutions on its website and in its office at Kaubamaja 1, Tallinn, starting from 21st of February 2025.

The general meeting of shareholders of TKM Group was held in the Viking Motors dealership at Tammsaare tee 51, Tallinn, on 17th of March 2025 beginning at 12pm. The resolutions made at the general meeting are published in the information system of NASDAQ Tallinn Stock Exchange and on the website of TKM Group.

Holding of the general meeting

A general meeting can adopt resolutions if over one-half of the votes represented by shares are present. A resolution of general meeting is adopted if over one-half of the votes represented at the meeting are in favour unless a larger majority is required by law.

The general meeting of TKM Group must take part in person or on the basis of authorization and, in accordance with the articles of association, the general meeting may adopt resolutions if the general meeting is attended by shareholders who hold more than half of the votes represented by shares. At the general meeting held on 17th of March 2025, shareholders were able, in order to exercise their shareholder's rights, to forward their vote to the public limited company before the general meeting, at least in a format which could be reproduced in writing or with a digitally signed ballot delivered by e-mail.

In 2025, the language of the annual general meeting was Estonian, and the meeting was chaired by TKM Grupp AS's Legal Director, Helen Tulve. The meeting could also be followed via webinar. The meeting was attended by Jüri Käo, Chairman of the Supervisory Board of TKM Grupp AS, Supervisory Board members Enn Kunila, Gunnar Kraft and Kristo Anton, Management Board member Raul Puusepp and Chief Financial Officer Marit Vooremäe. The meeting was also attended by members of the management boards of TKM Grupp AS subsidiaries: Erkki Laugus (Kaubamaja AS), Anne-Liis Ostov (TKM Beauty OÜ, TKM Beauty Eesti OÜ), Jüri Kuusk (TKM Auto OÜ), Raimo Koppel (AS Viking Motors), Kristi Simonsen (Selver AS), Andres Heinver (Kulinaaria OÜ), Tannar Tiitsar (Viking Security AS), Sander Sasi (AS Walde), as well as Merje Kips, Chief Executive Officer of the subsidiary Kulinaaria OÜ. The auditor Eva Jansen-Diener also attended the meeting. TKM Grupp AS's auditor

Annemar Rimmel participated in the meeting via webinar. Shareholders representing 70.50% of the votes attached to shares were represented at the general meeting. The appropriation of profit was discussed as a separate agenda item at the general meeting and a separate resolution was adopted on this matter. In addition to approving the annual report and the appropriation of profit, AS PricewaterhouseCoopers was appointed as the auditor to conduct the statutory audit of TKM Grupp AS for the financial years 2025–2027, and it was resolved that the amount of the auditor's fee would be determined by the Management Board of the public limited company.

Considering the aforementioned descriptions of general meetings held in 2025, the Group has complied with the Corporate Governance Code in informing the shareholders, convening and holding the general meeting.

Management Board

The Management Board is the governing body of TKM Group, responsible for representing and managing the Group's daily operations. According to the Articles of Association, the Management Board may consist of one to six members. In accordance with the Commercial Code, the members of TKM Group's Management Board are elected by the Supervisory Board. The selection process is gender-neutral and based on the actual competence of the candidates. A candidate must provide their consent to be appointed as a member of the Management Board. Under the Articles of Association, a Management Board member is elected for a fixed term of up to three years. The extension of a member's term cannot be decided earlier than one year before the planned expiration of the current term, nor for a period exceeding the maximum term specified by law or the Articles of Association. Currently, TKM Group has a single-member Management Board.

The Management Board member of TKM Group is Raul Puusepp, whose term of office was extended on 13th of February 2026, and his mandate will expire on 5th of March 2029. Raul Puusepp graduated from the University of Tartu in 1993 with a degree in applied mathematics. In 2000-2002, Raul Puusepp was the Chairman of the Management Board of AS Tartu Kaubamaja. He has previously worked as the head of the Southern Region of AS Leks Kindlustus and as the project manager of AS Eesti Post. Raul Puusepp participates in the work of all Estonian subsidiaries of TKM Group AS and the supervisory boards of Verte Auto SIA, SIA FORUM AUTO, Motus auto UAB, UAB KIA Auto, SIA TKM Latvija and UAB TKM Lietuva, including Selver AS, Viking Security AS, TKM Finants AS, AS Walde, OÜ TKM Beauty and OÜ TKM Beauty Eesti as the Chairman of the Supervisory Board. In 2026, Raul Puusepp was awarded the Order of the White Star, 4th Class, of the Republic of Estonia.

The duties and remuneration of the Chairman of the Management Board are specified in the board member contract concluded with the Chairman, in which the Group was represented by the Chairman of the Supervisory Board. In accordance with the contract and in accordance with the remuneration principles of the Board Members approved at the General Meeting, the Chairman of the Management Board is paid a membership fee and he may receive performance pay once in a year accordance with the specific, comparable and predefined objectives of the Group's economic results for the previous year. The Management Board member of the Group has no additional bonuses or benefits. In 2025, the total remuneration of the Chairman of the Board (gross fee, on accrual basis) amounted to 241.8 thousand euros (in 2024 279.5 thousand euros), including calculated performance fees (gross fee, on accrual basis) of 97.8 thousand euros (in 2024 135.5 thousand euros). The issuer's costs include, in addition to accrual-based charges, the social tax costs according to the rate established by law. A more detailed overview of the remuneration paid in accordance with the remuneration principles of the issuer's manager is available in the remuneration report.

Unlike the recommendation in point 2.2.1. of the Corporate Governance Code, TKM Group has a single-member Management Board. This structure follows a long-standing tradition. In addition to the Management Board member, the Group's leadership team includes the Chief Financial Officer, Legal Director, IT Director, and Marketing Director. All key decisions are made jointly by TKM Group's Management Board and leadership team in cooperation with the Supervisory Board. The Group also works closely with the management of its subsidiaries and the heads of relevant business areas. The Group believes that this governance structure best protects shareholder interests and ensures the company's long-term sustainability.

Significant transactions with the Group that are concluded with a member of the Management Board, or a person close to or related to him or her are decided and determined by the Group's Supervisory Board. No such transactions occurred in 2025 or 2024. There were also no conflicts of interest during these periods.

As of 31.12.2025, Raul Puusepp owns 19,000 TKM Grupp AS shares (0,0466%).

Supervisory Board

The Supervisory Board plans the activities of Group, organises its management and supervises the activities of the Management Board in the period between the meetings of shareholders. The Supervisory Board notifies the general meeting of the result of such supervision. The Supervisory Board decides on the development strategy and investment policy of the Group, conclusion of real estate transactions, adoption of the investment budget and annual budget prepared by the Management Board. The meetings of the Supervisory Board are regularly held once a month and additionally extraordinary if necessary.

In 2025, 12 scheduled meetings and 1 extraordinary meeting of the Supervisory Board were held and in 2024, 12 scheduled meetings and 1 extraordinary meeting was held. In 2025, all members of the Supervisory Board attended all meetings of the Supervisory Board, except for Kristo Anton, who was absent from one of the council meetings in October 2025.

The Supervisory Board has three to six members according to the resolution of the general meeting and the member is elected for up to three years. The work of the Supervisory Board is organised by the Chairman of the Supervisory Board.

By the resolution of the general meeting held on 18th of March 2025, Jüri Käo, Enn Kunila, Kristo Anton, Meelis Milder (an independent Supervisory Board Member) and Gunnar Kraft (an independent Supervisory Board Member) were elected as the members of the Supervisory Board. The mandates of the Supervisory Board will expire on 20th of May 2027.

The Chairman of the Supervisory Board is Jüri Käo, who has been a member of the Supervisory Board of TKM Grupp AS since 1997 and has served as Chairman of the Supervisory Board continuously since 2009. He has also been a Chairman of the Supervisory Board in 2000-2001. Jüri Käo works as the Chairman of the Management Board of OÜ NG Investeeringud and participates in the work of all Estonian subsidiaries of TKM Grupp AS and the supervisory boards of UAB TKM Lietuva and SIA TKM Latvija. He is the Chairman of the Supervisory Board of Kaubamaja AS and a member of the Audit Committee of TKM Grupp AS. He is also the Chairman of the Supervisory Board of Kitman Thulema AS, a member of the NG Investeeringud group of companies, and a Member of the Supervisory Board of AS Liviko, AS Balbiino, OÜ Roseni Kinnisvara, Roseni Majad OÜ, OÜ Kitman Coldtech, OÜ NG Logistics and Kuulsaal OÜ.

Jüri Käo has been elected to the governing body of the Estonian Employers' Confederation since 1996 and has been the Deputy Chairman of the Council of the Union since 2016. From 1995 to 2015, Jüri Käo was the Deputy Chairman of the Board of the Estonian Chamber of Commerce and Industry. In 2015, the Estonian Chamber of Commerce and Industry recognized him for his services with the 1st class award in the long-term promotion of the Estonian economy and business environment, and in increasing business motivation. Jüri Käo has been awarded the Order of the White Star of the 2nd and 4th Class of the Republic of Estonia.

As of 31.12.2025, Jüri Käo represents 4,775,508 shares (11,73%) of TKM Grupp AS through the Group's parent company NG Investeeringud OÜ.

Enn Kunila has been elected by the shareholders as a member of the Supervisory Board of TKM Grupp AS since 2000. Enn Kunila works as a member of the Management Board of OÜ NG Investeeringud and participates in the supervisory boards of all Estonian subsidiaries of TKM Grupp AS, UAB TKM Lietuva and SIA TKM Latvija, including being the Chairman of the Supervisory Board of TKM Kinnisvara AS, TKM Kinnisvara Tartu OÜ, SIA TKM Latvija and UAB TKM Lietuva. He is the Chairman of the Supervisory Board of members of the NG Investeeringud group of companies AS Liviko, AS Balbiino, OÜ Roseni Kinnisvara, Roseni Majad OÜ, Kuulsaal OÜ and a member of the Supervisory Board of Kitman Thulema AS, OÜ Kitman Coldtech, OÜ NG Logistics.

Enn Kunila has been the Chairman of the Council of the Estonian Food Industry Association and a Member of the Council of the Estonian Cultural Endowment for many years, as well as a member of the management bodies of several public organizations related to entrepreneurship. Enn Kunila has been the Chairman of the Board of the Estonian Friends of the Art Association since its establishment in 2007. In addition, he is the founder of the group of Society of Friends of Art – patrons providing significant financial support to the Estonian Museum of Art. He has also been a member of the council of the Estonian Art Museum since its establishment in 2016. The Estonian Chamber of Commerce and Industry has recognized Enn Kunila for his contribution to shaping the Estonian business environment and the Ernst & Young Estonian Entrepreneur's Lifetime Achievement Award. Enn Kunila's work in introducing Estonian classical painting has been recognized with the title of Friend of Culture of the Year, the Order of Tallinn, the Order of Merit of the Ministry of Foreign Affairs of Estonia, and the Order of Merit of the Italian Republic. In 2006, Enn Kunila was awarded the 4th Class Order of the White Star of the Republic of Estonia.

As of 31.12.2025, Enn Kunila represents 4,699,138 shares (11,54%) of TKM Grupp AS through the Group's parent company NG Investeeringud OÜ.

Kristo Anton holds a master's degree (MBA) from Concordia International University Estonia since 2001 and a master's degree (MScEng) from Tallinn University of Technology since 2022. Kristo Anton has been working as the Investment Manager of NG Investeeringud OÜ since 2006. Kristo Anton is also a member of the sustainable development working group of TKM Grupp AS and a member of the Audit Committee. As of 1st of January 2024, Kristo Anton participates in the work of the Supervisory Boards of Estonian subsidiaries of TKM Grupp AS, SIA Verte Auto, SIA TKM Latvija, UAB TKM Lietuva. Outside the Group, Kristo Anton belongs to the Management Board of Mansum OÜ.

Kristo Anton does not own shares of TKM Grupp AS. Kristo Anton holds a 0.11% stake in NG Investeeringud OÜ, which is a shareholder of the Group. However, this is not considered an indirect holding under stock exchange rules or IFRS, as it does not constitute a controlling interest.

Meelis Milder has been elected by the shareholders as a Member of the Supervisory Board of TKM Grupp AS since 1997 and participates in the work of the Supervisory Board of Kaubamaja AS. Meelis Milder graduated from the Faculty of Economics of the University of Tartu, worked as a management consultant in Mainor and was a long-term Chairman of the Board of AS Baltika. In the years 2021-2023, Meelis Milder managed the AS Wendre.

Meelis Milder is also a founding member of the Estonian Association of Merchants, the Estonian Association of Clothing Manufacturers and the Estonian Association of Large Enterprises, and is a visiting lecturer at the University of Tartu as well as an honorary member of the Estonian Academy of Arts. Meelis Milder has been awarded the Order of the White Star, 4th Class, as well as decorations from the Ministry of Foreign Affairs, the Estonian Olympic Committee and the University of Tartu.

Meelis Milder does not own shares of TKM Grupp AS.

Gunnar Kraft has been elected by shareholders as a member of the Supervisory Board of TKM Grupp AS since 2004 and participates in the work of the Supervisory Boards of Kaubamaja AS and TKM Finants AS, as well as the Audit Committee of TKM Grupp AS. Gunnar Kraft graduated from Tallinn Polytechnic Institute as an industrial economist and obtained a Master's degree in International Business Administration from the University of Helsinki. From 1992 to 2002, he worked as Vice President of AS Eesti Investeerimispank, Chairman of the Supervisory Board of AS Optiva Pank and Director of Baltic Banking at Sampo Pank PLC. From 2002 to 2014, Kraft was Chairman of the Management Board of AS Sangar and from 2015 to 2022 Chairman of the Supervisory Board. He is also Chairman of the Supervisory Board of AS Mivar-Viva. Since 2003, Gunnar Kraft has served as a member of the board of the Estonian Chamber of Commerce and Industry, and from 2005 to 2013 he was a member of the council of the Estonian Employers' Confederation. Since 1995, Gunnar Kraft has been President of the NGO Sport for All Association, and since 2002 he has served as Honorary Consul of Costa Rica in Estonia. Gunnar Kraft has been awarded the Order of the White Star, 4th Class.

As of 31.12.2025, Gunnar Kraft owns 15,654 TKM Grupp AS shares (0,038%) and represents 31,644 shares (0,078%) of TKM Grupp AS through the company OÜ Viromeena.

Members of the Group's Supervisory Board Jüri Käo and Enn Kunila are members of the Management Board of the shareholder OÜ NG Investeeringud, which holds a significant stake in the Group. The independent members of the Supervisory Board are Meelis Milder and Gunnar Kraft, who do not have any commercial, family or other links with the Group, the company controlled by it, the controlling shareholder of the Group, the company belonging to its Group or the members of the management bodies of those companies which could influence their decisions due to a conflict of interest. Meelis Milder is a member of the Group's Supervisory Board since 1997 and Gunnar Kraft since 2004, so these persons do not fully meet the independence characteristics set out in the Estonian Financial Supervision and Resolution Authority's guide, but the Group highly values the contribution and knowledge of both Supervisory Board members. According to the Group, the long-term participation of the members of the Supervisory Board as a member of the Supervisory Board does not affect their independence but, on the contrary, their competence is enhanced.

According to the decision of the annual general meeting held on 18th of March 2024, the monthly remuneration of the Supervisory Board member of TKM Grupp AS is 3,500 euros; the Chairman of the Supervisory Board receives 4,200 euros monthly. In 2025, the remuneration of the members of the Supervisory Board of TKM Group in the total amount of 218 thousand euros has been calculated, including 50 thousand euros for the Chairman of the Supervisory Board (183 thousand euros in 2024, including 42 thousand euros for the Chairman of the Supervisory Board). The issuer's costs include, in addition to accrual-based charges, the social tax costs according to the rate established by law.

Cooperation between the Management Board and Supervisory Board

The Management Board and Supervisory Board closely collaborate to achieve the purpose of better protection of the interests of TKM Group. The Management Board, the management team and the Supervisory Board jointly participate in development of the strategy of the Group. In making management decisions, the Management Board and the management team are guided by the strategic instructions supplied by the Supervisory Board.

The Management Board regularly notifies the Supervisory Board of any important circumstances concerning the planning and business activities of the Group's activities and separately draws attention to any important changes in the business activities of TKM Group. The Management Board submits the information, including financial statements to the Supervisory Board, in advance before the holding of a meeting of the Supervisory Board. Management of the Group shall be based on the legislation, articles of association, resolutions of meetings of shareholders and Supervisory Board, and the set objectives.

Changes in Articles of Association

Amendments to the articles of association shall be made in accordance with the Commercial Code, under which a resolution on amending the articles of association is adopted if at least 2/3 of the votes represented at a general meeting of shareholders are in favour, unless a larger majority is required by articles of association. The articles of association of TKM Grupp AS do not provide for a larger majority requirement. A resolution on amending the articles of association shall enter into force as of the making of a respective entry in the commercial register.

Shareholders with a significant shareholding

As of 31.12.2025 the share capital of TKM Group in amount of 16,291,680 euros consists of 40,729,200 registered shares, each with the nominal value of 0.40 euros. All issued shares have been paid.

The shareholder with a significant shareholding is OÜ NG Investeeringud owning 67.1% of the Group's shares.

Shares granting special rights to their owners and would lead to unequal treatment of shareholders in voting, have not been issued.

Disclosure of information

Group treats all shareholders equally and notifies all shareholders of important circumstances equally, by using its own website as well as the information system of the Nasdaq Baltic Stock Exchange.

Group's website www.tkmgrupp.ee contains contact information of the Group and key employees, press releases and reports. The annual and interim reports include information on the strategy and financial results of the Group as well as the Corporate Governance Report. Along with the annual report, the Supervisory Board's written report on the annual report referred to in § 333 (1) of the Commercial Code shall be made available to shareholders on the Group's website. In the subsection of Market News, information is disclosed with regard to the membership of the Supervisory Board and auditor, resolutions of the general meeting, and other important information.

Financial reporting and auditing

It is the duty of the Executive Board of TKM Group to organise the internal control and risk management of the Group in a manner that ensures the accuracy of the published financial reports. Each year, the Group publishes the consolidated audited annual reports and quarterly interim reports consolidated during the financial year, which have been disclosed through the NASDAQ Baltic Stock Exchange information system and are publicly available on the Group's website. In addition to the disclosed financial reports, management information is gathered in symbiosis with high-quality and accurate financial indicators, and management reports are prepared to ensure adequate governance of the Group's companies.

The purpose of the internal control and risk management systems connected with the financial reporting process is to ensure harmonised and trustworthy reporting of the Group's financial performance in conformity with the applicable laws, regulations, adopted accounting policies and the reporting principles approved by the Group. The principles of risk management have been defined in the Group's risk management framework, which describes the more important activities for risk management relating to identification, assessment, prioritisation and mitigation of risks and the definitions, roles and areas of responsibility related to the field. In addition, the risk management and internal control activities are organised with the work organisation rules of the Group and its subsidiaries, which describe the functioning of various processes.

The Group's financial area together with accounting and management reporting is the area of responsibility of the Group's chief financial officer (CFO) being responsible for the identification and assessment of risks in financial reporting, arranging the principles in relation to financial reporting, organises the tools that are required for accounting and reporting and prepares the officially published financial reports of the Group. The financial reporting processes and systems are developed on a continuous basis. Risk analysis is conducted annually. This risk analysis serves as a basis for the further development of supervision and control measures and checkpoints in reporting to prevent the realisation of risks. The Group's internal audit supervises the operation of the internal control system, including, among other things, financial reporting processes. The Group's accounting, funding, IT administration and insuring have been centralised.

On 18 June 2019, the European Commission Delegated Regulation (EU) 2018/8151 entered into force, in accordance with which issuers whose securities are admitted to trading on a regulated market in a Member State of the European Union, shall publish consolidated financial statements in the European Single Electronic Format (ESEF) as from 1 January 2021.

The Group's financial processes and reports are subject to an annual financial audit, conducted generally by an auditor selected by the Supervisory Board as a result of a competition and approved by the general meeting. Auditors are appointed to perform a single audit or for a specific term. The procedure for remuneration of auditors shall be determined by the Management Board. Along with the resolution of the general meeting from 2025, the financial auditor of the financial year 2025 was AS PricewaterhouseCoopers (PwC). The agreement entered into with the auditor complies with the requirements of the CGR. In 2025, the Group's contractual auditor, AS PricewaterhouseCoopers, did not provide any other services in addition to auditing the consolidated annual report and the audit of the subsidiary companies' annual reports. The total amount of fees paid or payable for audit services provided by the Group's contractual auditor in 2025 is 272 thousand euros. Of this amount, 192 thousand euros represented fees for the audit of the consolidated annual report, 77 thousand euros for other assurance services, and 1 thousand euros for other non-audit services.

In 2025, the auditor participated in the ordinary general meeting of shareholders, where the 2024 consolidated annual report was approved.

In our opinion, the financial audit conducted in 2025 has been in conformity with regulatory provisions, international standards and the set expectations. In 2025, there have been no circumstances of which the auditor would have informed the Supervisory Board, which, in the auditor's opinion, could affect the work of the council or the management of the Group. In addition, the auditor has not reported a threat to the auditor's independence or the professionalism of his work.

The results of the 2025 audit were presented by the auditor in the course of the interim audit and, in respect of the final audit, prior to the issuance of the audit opinion. The independent auditor's report is presented on pages 134-142.

Audit Committee

The Audit Committee of TKM Grupp AS is a body established by the Supervisory Board, whose task is to advise the Supervisory Board in matters related to the exercise of supervision, including accounting, auditing, risk management, internal control and audit, supervision, the budget preparation process, and the legality of activities.

To fulfil this task, the Audit Committee monitors and analyses the processing of financial information and the auditing process of the annual report and the consolidated report, supervises risk management, and evaluates the effectiveness of the internal control system. The Audit Committee makes proposals for the appointment and removal of the audit firm and assesses its independence and compliance with requirements.

In performing its tasks, the Audit Committee cooperates with the Supervisory Board, the Management Board, internal and external auditors, and, if necessary, external experts.

During the reporting year, the Audit Committee consisted of four members: Kristo Anton, Gunnar Kraft, Jüri Käo, and Kaia Salumets. The Audit Committee is chaired by Kaia Salumets.

The Audit Committee prepares an annual summary report for the Supervisory Board on the fulfilment of the objectives set out in its statutes, providing an overview of its activities.

Based on its duties, the Audit Committee provides ongoing evaluations and makes proposals to the Supervisory Board, the Management Board, internal audit, and/or the external audit provider.

During the reporting period, the Audit Committee held 10 regularly scheduled meetings.

Consolidated Sustainability Statement

General information

Basis for preparing the year 2025 statement

The Consolidated Sustainability Statement of TKM Group has been prepared in accordance with the European Sustainability Reporting Standards (ESRS). The sustainability reporting obligation arises from § 31(4) of the Accounting Act. The report includes consolidated data from TKM Grupp AS's subsidiaries for the year 2025, and the scope of consolidation is the same as in the Consolidated Financial Statements. As the TKM Group does not exercise financial or operational control over Rävala Parkla, the Consolidated Sustainability Statement does not include data from Rävala Parkla AS, in which the Group holds a 50% stake.

The subchapter "Taxonomy Regulation" in the Environmental Information section of the Consolidated Sustainability Statement also includes disclosures in accordance with Article 8 of the Taxonomy Regulation.

Due to ESRS requirements, topics relevant to TKM Group have been determined based on the double materiality assessment. Double materiality has two dimensions: impact materiality and financial materiality. A sustainability aspect is considered material under the double materiality criterion if it is significant from the perspective of impacts, financial aspects, or both. The double materiality review will be conducted at least once a year, and the results will be reflected in the Consolidated Sustainability Statement. TKM Group presents comparative data for the year preceding the reporting period. For greenhouse gas (GHG) emissions scopes 1 and 2, in addition to 2024 comparative data, the base year 2018 is used, which serves as the starting point for emission reduction. Reliable data is available for the year 2018, and since then significant measures have been implemented to improve energy efficiency and reduce GHG emissions.

In the double materiality assessment, TKM Group has considered the significant impacts, risks, and opportunities related to the upstream and downstream stages of key value chains (see page 38 for details).

The Group has not used the exemption provided in ESRS-2, Chapter BP-1, Data Point 5, sub-sections (d)* and (e)**:

**(d) Whether the company has used the option to omit specific information related to intellectual property, trade secrets, or innovation results (see ESRS 1, Chapter 7.7 "Confidential and sensitive information, and information on intellectual property, trade secrets, or innovation results").*

***(e) In the case of companies located in an EU Member State that allows omitting information about expected developments or ongoing negotiations as provided in Directive 2013/34/EU, Article 19a(3) and Article 29a(3), a statement on whether the company has used this exemption.*

Restatement of Comparative Period Information

For the calculation of the 2025 emissions, the Group implemented a new methodology. Applying the updated methodology, the Group has also restated the previously disclosed 2024 emissions for several Scope 3 categories.

At the time of preparing the 2024 report, the Group did not yet have company-specific data for most Scope 3 categories and therefore relied on estimates obtained from a third-party industry report. In assessing Scope 3 emissions for 2024, Company specific data was not used in calculating the estimates, instead the Group relied on the report prepared by McKinsey on 31 July 2024. This report proved to be materially different from the Group's recalculated 2024 total Scope 3 emissions at the time of preparing this report.

In 2025, the methodology was refined (except for Categories 5 and 13, where the methodology already met the requirements of the standard) by using the Group's direct expenditure data for spend-based calculations, national statistical data (Estonia), and other new data sources. Compared to the methodology applied in 2024, total Scope 3 emissions are 87% lower than the amounts disclosed for 2024.

Category (tCO_2)	2024	2024 restated	Restatement difference	Restatement (%)
Scope 3 emissions	**2,764,727**	**337,839**	**-2,426,888**	**-87%**
1. Purchased goods and services	1,455,475	265,943	-1,189,532	-82%
2. Capital goods	272,433	61,011	- 211,422	-78%
3. Fuel and energy-related	624,828	4,260	-620,568	-99%
4. Upstream transportation and distribution	327,344	320	-327,024	-100%
5. Waste generated in operations	1,539	1,539	-	0%
7. Employee commuting	not material	3,323	3,323	-

Category (tCO_2)	2024	2024 restated	Restatement difference	Restatement (%)
9. Downstream transportation	81,836	not material	-81,836	-
12. End-of-life treatment of sold products	not material	171	171	-
13. Downstream leased assets	1,272	1,272	-	0%
Total GHG emissions				
Total GHG emissions (location-based) (tCO_2eq)	**2,821,150**	**394,262**	**-2,426,888**	**-86%**
Total GHG emissions (market-based) (tCO_2eq)	**2,803,850**	**376,962**	**-2,426,888**	**-87%**

As a result of the restatement of the Group's 2024 Scope 3 total emissions, the GHG intensity based on net revenue (tCO_2eq/thousand €) has also changed. Based on the restated figures, the market-based GHG intensity is 0.40 compared to the previously disclosed 2.99 (difference: –87%), and the location-based GHG intensity is 0.42 compared to the previously disclosed 2.97 (difference: –86%).

In the ESRS S1 "Own Workforce" section, the methodology for calculating the total number of employees for the comparative period has been adjusted, taking more precise account of temporarily absent employees in the full-time equivalent employee total. In this report, the data for 2025 and the comparative period are presented using a unified methodology.

Significant Estimates

The Consolidated Sustainability Statement includes estimates. In the environmental information section, Scope 3 categories are classified as material or immaterial based on assessments. The extent of estimations permitted by The Greenhouse Gas Protocol Corporate Standard (hereinafter GHG Protocol) has been applied. Financial control was used in the assessment of greenhouse gas emissions.

In Scope 3, Category 7 (employee commuting), the calculations for 2024 and 2025 are based on the 2024 data of Statistics Estonia regarding the mobility patterns of Estonian residents to and from work. These data include both the mode of transportation used and the average distance. In the absence of company-specific data, the national average was used, which allows for an initial, but reasonably accurate, estimate.

Due to the legal restriction on asking about union membership, the estimated share of employees covered by the collective agreement includes all Kaubamaja AS employees.

The Group has no legal basis to inquire about employees' disabilities; therefore, this information is not included in the Consolidated Sustainability Statement.

Governance

The Good Corporate Governance Code (GCGC) is a set of guidelines and recommended rules compiled by the Finantsinspektsioon (Estonian Financial Supervision Authority), primarily intended for publicly traded companies. TKM Group largely adheres to the GCGC guidelines, despite their recommendatory nature. The following describes the management principles of TKM Group.

The General Meeting of Shareholders is the highest governing body of TKM Group. The annual general meeting is held once a year, while extraordinary meetings may be convened by the Management Board in cases stipulated by law. The general meeting has the authority to amend the articles of association, change share capital, elect and determine remuneration for Supervisory Board members, appoint auditors, approve the annual report, distribute profits, and decide on other matters specified in the articles of association and applicable laws.

The governing, management, and supervisory bodies of TKM Group are the Management Board, Supervisory Board, and Audit Committee. There are no employee representatives among the members. The Management Board, consisting of 1 to 6 members elected by the Supervisory Board, manages the Group's daily operations. Members are selected based on gender neutrality and actual competence. TKM Group AS currently has a one-member board—Raul Puusepp, in office since 2002, with a term ending on 5 March 2029. The Supervisory Board members are Jüri Käo (Chairman), Enn Kunila, Kristo Anton, Meelis Milder, and Gunnar Kraft— all males. Their term ends on 20 May 2027. Jüri Käo has been a board member since 1997 and previously served as Chairman in 2000–2001 and 2009–2024. Raul Puusepp is also part of the executive management.

The Supervisory Board plans the activities of the Group between shareholders' general meetings, organises management, and supervises the activities of the Management Board. The results of its supervision are presented to the general meeting. The Supervisory Board issues instructions to the Management Board regarding the organisation of management, decides on the Group's development strategy and investment policy, real estate transactions, and approves investments and the annual budget prepared by the Management Board. The Supervisory Board meets regularly once a month and, if necessary, also holds extraordinary meetings.

The Management Board and the Supervisory Board work closely together to protect the best interests of TKM Group. The

Management Board, executives, and the Supervisory Board collaborate on developing the Group's strategy, and management decisions are made based on the strategic directions provided by the Supervisory Board.

Amendments to the articles of association are made in accordance with the Commercial Code, under which a decision to amend the articles of association is adopted if at least two-thirds of the votes represented at the General Meeting are in favour, unless the articles of association specify a higher majority requirement. TKM Group treats all shareholders equally and informs all shareholders of important matters on an equal basis, using both its own website and the Nasdaq Baltic stock exchange information system.

Supervisory Board members Jüri Käo and Enn Kunila are members of the Management Board of OÜ NG Investeeringud, a shareholder with significant holdings in the Group. Meelis Milder and Gunnar Kraft are considered independent, as they have no business, family, or other ties to the Group, its controlled or controlling entities, or their management bodies that could create a conflict of interest and influence their decisions. Meelis Milder has served on the Supervisory Board since 1997 and Gunnar Kraft since 2004. Therefore, they do not fully meet the independence criteria outlined in the guidelines of the Financial Supervision Authority. However, the Group values their contributions and sectoral expertise. In the Group's view, their long tenure does not compromise their independence but rather enhances their competence.

The Audit Committee of TKM Group AS is an advisory body established by the Supervisory Board, whose task is to advise the Supervisory Board on oversight-related issues concerning accounting, auditing, risk management, internal controls and internal auditing, regulatory compliance, the budget preparation process, and the legality of operations. The Audit Committee consisted of four members during the reporting year: Kristo Anton, Gunnar Kraft, Jüri Käo, and Kaia Salumets. The Audit Committee is chaired by Kaia Salumets. The committee comprises three men and one woman. There are no members of the executive management in the Audit Committee.

Sustainability management within the Group is integrated into the overall governance model and is part of daily business operations. The Supervisory Board of TKM Group has approved the Group's Sustainability Strategy for 2030, which, based on ESG requirements, provides companies with key directions for establishing a responsible business culture. The implementation of the strategy is overseen by the Internal Audit Department of TKM Group.

The management of significant impacts is supported by the Group's Sustainability Strategy 2030. The Group collects sustainability-related data from its subsidiaries once a year and monitors the achievement of sustainability goals. Summaries are sent to subsidiaries, allowing them to assess whether their current activities have been sufficient or whether their action plans need to be revised. The Group will adopt an ESG platform in 2026, which all subsidiaries of TKM Group will be able to use to upload data, compare with previous years, and plan activities.

The Legal Department of TKM Group continuously monitors European Union (hereinafter referred to as EU) and national legislation, case law, industry practices, regulatory guidelines, and other relevant factors that may affect the Group's activities and implements the necessary changes in internal regulations.

Selver AS also has an internal controller in place to ensure compliance with established requirements.

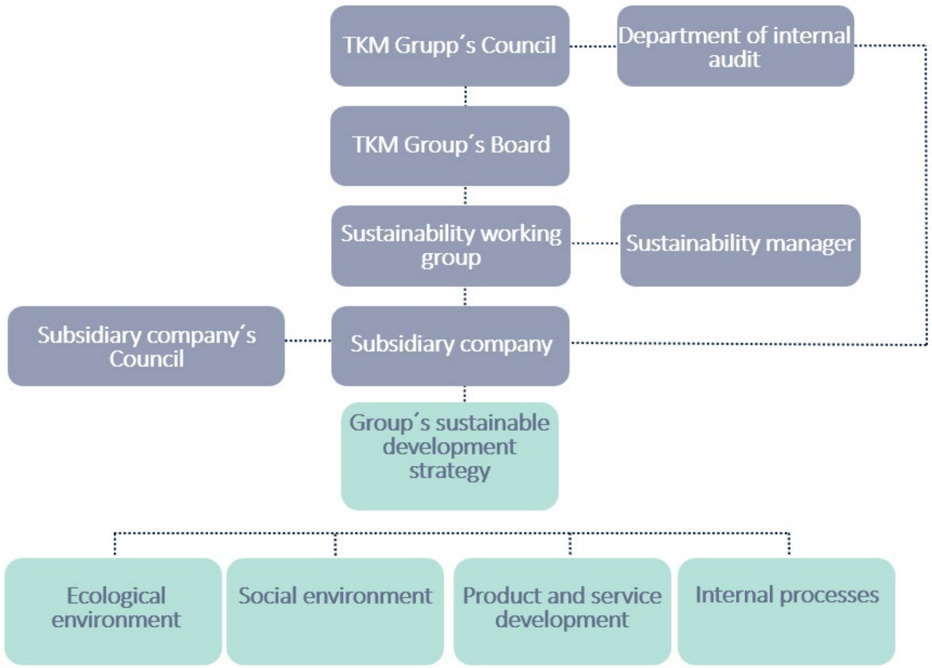
To report potential violations, TKM Group has implemented a whistleblower hotline, managed by the Internal Audit Department. The hotline is available to anyone who wishes to report violations occurring in TKM Group AS companies or at the workplaces of the Group's partners. Investigating these reports helps reduce harm and improve company culture and the work environment. Complaints are received and handled confidentially by the Internal Audit Department, respecting privacy and data protection rights. Reports can be submitted by writing to vihje@kaubamaja.ee or calling +372 667 3152. Communication is available in Estonian, English, and Russian. The Internal Audit Department ensures the objectivity of investigations. It may contact the whistleblower for clarification. The whistleblower can request not to be contacted, but this may affect the follow-up process. Information about the whistleblower hotline is available on the TKM Group website, but not all value chain workers may be aware of it.

The Sustainability Working Group of TKM Group consists of six members:

- Chairman of the Management Board of TKM Group
- Member of the Supervisory Board of TKM Group and Group Investment Manager
- Chief Financial Officer of TKM Group
- Marketing Director of TKM Group and Management Board Member of TKM Beauty / TKM Beauty Eesti
- Management Board Member of TKM Kinnisvara AS
- Sustainability manager of TKM Group

The members of the Group have been selected from management and administrative bodies to ensure representation across the companies. Within the working group, knowledge is consolidated and shared, and experiences are exchanged as needed. The primary task of the working group is Group-wide sustainability management, based on the TKM Group's Sustainability Strategy 2030. The Consolidated Sustainability Statement is subject to assurance by an external auditor. TKM Group does not have a separate sustainability related incentive scheme for its management, governance, or supervisory bodies.

Sustainability management structure:



TKM Group operates in Estonia, Latvia, and Lithuania, adapting its strategy to the specific requirements and opportunities of each market. The Group is active in multiple sectors—supermarkets, department stores, automotive trade, security services, and real estate—each requiring distinct sustainability approaches. In the supermarket segment, the focus is on enhancing customer shopping experiences, optimizing the product assortment, and developing e-commerce. Additionally, emphasis is placed on energy efficiency and reducing the ecological footprint. In the automotive trade sector, the Group is committed to the marketing of electric vehicles and the establishment of new service centres, supporting lower-emission transportation solutions. In the security sector, the focus is on technological and digital security solutions that improve efficiency and reduce resource consumption. In the real estate sector, efforts are directed towards energy efficiency and building renovations to lower the carbon footprint and improve energy class ratings. More information on the segments can be found in the Management Report under the business segments subsection on pages 19-21.

Strategy and business model

TKM Group's business model is based on diversified operations, enabling the company to offer a wide range of products and services while achieving synergies between different business sectors. This diversity helps the Group better withstand market fluctuations and ensures stable growth. The Group's activities can be divided into the following segments:

- Supermarkets
- Department stores and beauty retail
- Automotive trade
- Security services
- Real estate

The supermarket segment includes, as of the end of the year, 72 Selver stores across Estonia, 2 Delice stores, a mobile store (Rändpood), and a café, with a total sales area of 124.1 thousand m². Additionally, it includes e-Selver and Kulinaaria OÜ, a central kitchen offering over 400 products. One of TKM Group's most well-known subsidiaries is Kaubamaja AS, which provides a selection of food, fashion, home, beauty, and luxury goods at Tallinna Kaubamaja and Tartu Kaubamaja. In the beauty retail segment, the Group operates the I.L.U. beauty chain, which includes 7 stores and an e-store, as well as the L'Occitane brand. The automotive trading segment is an independent importer of Kia vehicles in the Baltics with its own dealer network and additionally operates retail passenger car sales through two showrooms in Tallinn, two in Riga, and two in Vilnius (in the second half of 2025, one showroom was converted into a Škoda-only dealership). In addition to Kia, the selection includes several other car brands, such as Peugeot and Škoda. The security services segment focuses on offering security and surveillance solutions, ranging from basic manned and technical security services to the design, installation, and maintenance of advanced alarm and video systems. It also provides high-quality, fast, and independent inventory services for various businesses and handles cash transport. The real estate segment is responsible for managing, maintaining, and leasing commercial properties owned by the Group. The real estate portfolio includes Tallinna Kaubamaja department store, Tartu Kaubamaja shopping Centre, Viimsi Shopping Centre, 5 car dealerships and 19 Selver store properties, in addition to various other real estate holdings. More information on the segments can be found in the Management Report under the business segments subsection on pages 19-21.

A significant new service introduced in 2024 is the Partner Kuukaart instalment payment option, offered by TKM Finants AS. This allows customers to purchase clothing, footwear, jewellery, cosmetics, and home appliances from Kaubamaja with instalment payments. The minimum purchase amount is 50 euros, and the maximum is 3,000 euros, with an option to pay in 3 or 6 equal monthly instalments without any additional fees, while the Hire Purchase option allows payments to be spread over up to 36 months.

TKM Group's strategy focuses on implementing its vision—to be the most versatile and profitable retail group in Estonia by offering high-quality products and services. The strategy prioritizes customer needs, continuous innovation, and profitable growth, including market share expansion and process optimization. Increasing emphasis is placed on environmental awareness and sustainability, with the aim of reducing the ecological footprint to support long-term success and responsible business practices. In addition, the Group has developed the TKM Group Sustainability Strategy 2030, which sets focus areas in environment, social well-being, and governance. This strategy supports the Group's vision and mission to be a leader in Estonian commerce and one of the Baltic region's most successful listed companies across all areas of operation.

The two main objectives of TKM Group's Sustainability Strategy 2030 are:

1. Contributing to reducing the negative effects of global climate change and supporting the EU's climate goals.
2. Ensuring the long-term profitability and responsible operations of TKM Group.

To ensure the long-term viability of the Group, it is essential to comply with the Paris Agreement and achieve climate neutrality by 2050. Discussions on the creation of a Climate-Resilient Economy Act are ongoing in Estonia. TKM Group is closely monitoring the legislative process and is prepared to adapt its Sustainability Strategy in line with new national targets and regulatory requirements, including emission reduction goals. Once such a law is passed, its impact on the Group's operations will be assessed, and strategic targets and implementation measures will be updated as necessary.

To increase transparency, it is essential to enhance control over supply chain operations, ensuring better oversight of the current value chain. The food retail companies—Kulinaaria, Selver, and Kaubamaja—are partners for Estonian businesses, helping them reach more people across the country. All three subsidiaries value the high proportion of Estonian products in their portfolios and will continue to offer a strong selection of local goods, thereby contributing to the development of the Estonian economy.

TKM Group recognizes its role and responsibility as a business and is aware of the impact of its activities on society. The Group's shopping centres and stores serve as important community hubs, bringing together a variety of essential public services. The Group's HR policy aims to value, develop, and retain employees based on unified principles, including HR management and planning, a thoughtful recruitment and selection process, and purposeful and motivating development. The company operates on the principle that success is built on loyal, dedicated, ethical, and results-oriented employees, and it places great importance on creating a supportive work environment. The majority of the Group's employees are based in Estonia, with a smaller number in Latvia and Lithuania.

TKM Group follows the Good Corporate Governance Code issued by the Finantsinspektsioon (Financial Supervision Authority), the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. The Group's contracts incorporate the Code of Conduct (CoC), also known as Good Business Practice, which serves as a crucial tool for meeting corporate sustainability due diligence obligations.

Sustainability targets related to key products, services, customer categories, geographic regions, and stakeholder relations:

Products and Services:

- Maintain and increase the share of Estonian products in the assortment.
- Expand the selection of health-promoting products.
- Increase automation in operations.
- Participate in pilot projects and develop innovative solutions for customers.
- Increase resource efficiency and cost-effectiveness.

Customers:

- Promote environmentally responsible behaviour.
- Ensure customer safety and data protection.

Geographic Regions:

- Support local (Estonian) production and provide small businesses with opportunities to sell their products in the Group's stores.
- Support communities in Estonia, Latvia, and Lithuania.

Stakeholder Relations:

- Maintain openness and transparency in communication.

- Increase engagement and inform stakeholders about ongoing sustainability initiatives.

The Sustainability Strategy was revised in 2025, and new targets were approved through to 2030. Their implementation will be assessed annually in the following years.

The Consolidated Financial Statements "Note 20" contains details on TKM Group's total revenue by segment (p. 121-124).

Value chain

TKM Group operates in various business segments in Estonia, Latvia, and Lithuania, which are considered low ESG risk and low supply chain risk countries according to the CountryRisk.io model. The value chain assessment considered the core business areas and the sectors with the greatest impact.

Upstream			Downstream	
Production and procurement	Logistics	Providing service, sales, and marketing	Consumers and end-users	Waste management

Core business	Supermarkets, Car Trade, Department Stores, Cosmetics Trade, Security, Real Estate	
Support functions	Management	Ensuring compliance with legal, ethical, and regulatory requirements
	Strategic and financial planning	Financial planning, resource allocation, expansion, capital distribution
	Shared services	Legal assistance, financial services, accounting
	Brand management	Partnerkaart, reputation building, communication plan

According to the established practice at TKM Group, support services are provided to subsidiaries by the parent company. These support services include accounting and financial planning; IT services, including administration and management activities, as well as, if necessary, organizing the planning and development of software and information systems through external providers; legal assistance, including daily legal counselling on various issues and ensuring regulatory compliance through Group-wide guidelines, instructions, internal regulations, etc.; and internal audit and risk management.

The Group-wide customer loyalty program Partnerkaart, used in TKM Group's retail companies (Selver AS, Kaubamaja AS, TKM Beauty Eesti OÜ), offers customers various discounts and benefits and is the largest of its kind in Estonia, with over 750,000 customers. Marketing activities and general brand management related to the Partner Program are also organized uniformly across the Group.

Stakeholders

A broad-based responsible and environmentally conscious mindset is integrated into the Group's companies and business processes. This approach primarily includes caring for the environment and natural resources, respecting human rights, combating corruption, and maintaining honest and open dialogue with employees, customers, suppliers, and other stakeholders.

It is important for the Group to demonstrate its social and environmental responsibility by maintaining open and comprehensive communication. The Group is prepared to provide competent, non-competitive information about all its companies, their strategies, and objectives, as well as to discuss less significant day-to-day issues. Only honest and open dialogue and cooperation with stakeholders can ensure long-term successful operations.

Dialogue with various stakeholders:

OWNERS, SHAREHOLDERS	EMPLOYEES	BANKS, INVESTORS, CREDITORS, FINANCIAL INSTITUTIONS	STATE, LOCAL AUTHORITIES	CUSTOMERS, CONSUMERS, COMMUNITIES, MEDIA, NGOs	PARTNERS, PROFESSIONAL ASSOCIATIONS, SOCIETIES
Profitability, maintaining a good reputation, security for the future.	Clear communication and involvement, ethics, and good reputation.	Intergration of the principles of sustainability, security of payments, high-quality management.	Transparent operations, considerate and ethical business, open communication, cooperation.	Services and products considering trends, transparency, cooperation.	Cooperation, shared values, open communication.
Why is it important?					
The expectations of owners/shareholders provide guidelines that company management must follow, and based on feedback from company leaders, internal audit, and the board, decisions can be made on key topics such as investments, expansion, innovation, and other critical business matters.	Remaining competitive in the labour market. Any violation of the law is intolerable, and employees must feel that they have the freedom to speak openly. TKM Group's responsibility is to provide its employees with a safe working environment.	Existing collaboration projects, customer relationships, loan terms, and long-term partnerships.	Compliance with current legislation, gaining a long-term perspective, contributing to the achievement of national goals, and mitigating regulatory risks.	To achieve strategic objectives, such as raising environmental awareness. To ensure the safety of clients in relation to the products and services offered by the Group, as well as the surrounding environment. Considering customer behaviour habits allows for trend forecasting. The aim is to provide clients not only with a service or product but also to support their lifestyle and living environment.	Engaging with partners allows for identifying potential risks and opportunities for the future, assessing whether they operate based on the same values, and evaluating the transparency of the Group's partners' activities. Supporting the Group's partners in their sustainability journey strengthens collaboration, ensuring the long-term resilience of both companies. Industry associations provide support in participating in legislative processes and in introducing key topics relevant to the Group.
How is engagement conducted?					
Annual shareholder meeting, press releases, monthly supervisory board meetings.	Internal whistleblower reporting channels, satisfaction surveys, internal regulations that govern activities and define the boundaries of responsible and ethical behaviour. Performance reviews, internal career development, and training programs.	Client engagement, information sessions, workshops.	Participation in information sessions organized by various ministries and local governments, monitoring European Union legislation before it is enacted in Estonia to mitigate future risks, and ongoing communication with local governments.	Social media, in-store signs and screens, emails (newsletters), and Partnerkaart loyalty program. We monitor purchasing behaviour and trends.	Initiating cooperation and negotiating terms. Implementation of Good Business Practice, ESG supplier assessment. Industry association meetings, information sessions, newsletters.
Key topics					
Profitability, revenue, innovations, ongoing operations, strategy implementation, new laws.	Engagement, suggestions, workforce development, occupational safety and work environment, ethical behaviour, innovations, and the introduction of both new and existing policies.	Sustainability plan for the coming years. Taxonomy regulation compliance for real estate. Overall business management and consideration of sustainability principles and ESRS. Green loans.	New regulations. Waste management. Applications for new projects. Charity.	New products, new opportunities for product or service usage. Product recall (if necessary) and product safety. Charity. Health and environmental protection.	Sustainability activities. Human rights protection. Employee safety. Ethical business practices. Long-term collaboration. Innovation opportunities. Legislation.

Based on stakeholder feedback, TKM Group's Sustainability Working Group analyses the input and proposes updates to the Group's Sustainability Strategy, which are then approved by the Supervisory Board.

Double materiality (impacts, risks, and opportunities) assessment

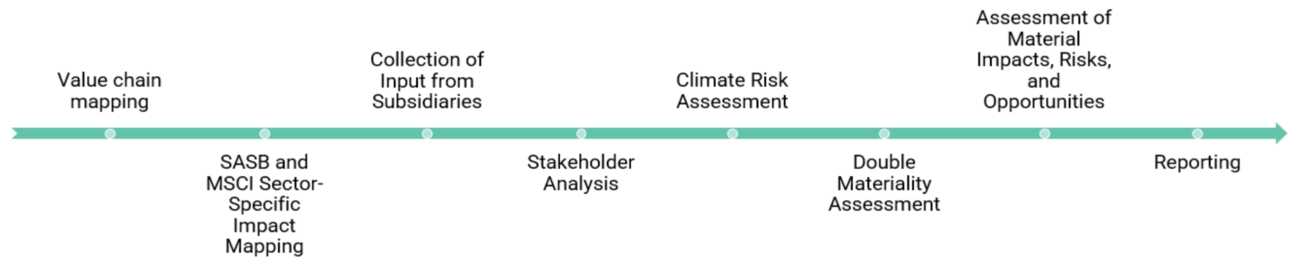
In 2025, TKM Group conducted a new double materiality assessment focusing on the company's significant impacts, risks, and opportunities, covering all subsidiaries. While a top-down methodology (from Group level to subsidiaries) was applied in 2024, a bottom-up approach was implemented in 2025, whereby assessments were first carried out at each subsidiary, followed by the preparation of a consolidated Group-level analysis based on these results. The bottom-up approach enabled better consideration of subsidiaries' operational specificities and facilitated the identification of mate-rial impacts, risks, and opportunities directly at the operational level. This increased the accuracy of the assessment and ensured a more substantive and data-driven outcome for the Group-level consolidated analysis.

Topics identified in subsidiaries were classified into three qualitative levels based on impact and/or financial materiality: low, medium, and high. Topics assessed as having medium or high materiality were consolidated into the Group-level analysis, based on which the Group Sustainability Working Group evaluated the company's most material topics. Compared to 2024, the Group Sustainability Working Group applied updated quantitative assessment scales to deter-mine materiality, categorizing topics into low, medium, and high materiality. ESG materiality was assessed on a scale of 0–10 (with a materiality threshold starting at 4), financial materiality on a scale of 0–6 (with a threshold starting at 2), and double materiality was derived as a combined score on a scale of 0–16 (with a threshold starting at 6). A topic was considered material if it reached medium or high materiality in at least one dimension. The highest priority was assigned to topics that were material in both dimensions. Topics assessed as low materiality that did not exceed the defined thresholds in either dimension were excluded from the 2025 report. A topic was deemed material if at least one of the two dimensions exceeded the established threshold.

Compared to 2024, E3 – Water and Marine Resources and S2 – Workers in the Value Chain did not qualify as material topics. Neither topic exceeded the defined materiality thresholds in either the impact or financial dimension, and therefore they are not disclosed in the 2025 report. No new material topic categories were added; however, several subtopics and risk assessments within existing topics were refined.

For mapping sector-specific impacts, the Group relied on the Sustainability Accounting Standards Board (SASB) standard and analysis by MSCI Inc., a company providing global equity, fixed income, and real estate indices, portfolio analysis tools across asset classes, as well as ESG and climate products. Additional sources included the EU Sustainable Finance Taxonomy Regu-lation and stakeholder feedback. The value chain, SASB, and MSCI sector-based inputs remained un-changed compared to 2024.

The double materiality assessment process and the topics identified as material based on the impact analysis:



Topical ESRS		
E1	Climate change	Climate change adaptation
		Climate change mitigation
		Energy
E5	Circular economy	Resource inflows, including resource use
		Resource outflows related to products and services
		Waste
S1	Own workforce	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
S4	Consumers and end-users	Information-related impacts for consumers and/or end-users
		Personal safety of consumers and/or end-users
		Social inclusion of consumers and/or end-users
G1	Business conduct	Corporate culture, Protection of whistle-blowers, Animal welfare, Political engagement and lobbying activities, Management of relationships with suppliers including payment practices
		Corruption and bribery

In mapping significant impacts, risks, and opportunities, TKM Group used the results of both financial and climate risk assess-ments. The climate risk analysis was conducted using the Task Force on Climate-related Financial Disclosures (TCFD) frame-work. The ESRS requirement to assess impacts, risks, and opportunities across short-, medium-, and long-term horizons is reflected in the Group's climate risk assessment.

In 2025, TKM Group implemented an updated version of its Risk Management Framework, which outlines the key principles for organizing risk management across the Group's companies. Financial risks are categorised into five main classes: financial, operational, compliance, strategic, and external risks. Each individual risk is assessed based on the potential financial loss it could cause if realised, with loss defined as loss of profit. Since the materialisation of a risk may also involve non-financial impacts, the assessment includes reputational, safety, employee-related, and sustainability-related consequences, including the duration of the impact. Each risk is assigned a risk level – low, medium, or high. A high sustainability risk is considered equally important as a high financial risk. The involvement of financial resources is based on the risk mitigation measures in place. The results of risk assessments are integrated into the Group's financial management and decision-making processes, helping shape corporate strategy and investment decisions. Key identified risks are described in the Consolidated Sustainability Statement (p. 41). A risk overview is regularly presented to the Management Board and the Supervisory Board, ensuring transparency and continuous improvement of the risk management system.

Risk management is an integral part of TKM Group's business processes. Risks are managed proactively for the upcoming financial year and, where necessary, for longer timeframes. The full risk management cycle is completed annually. Typically, the assessment process runs in parallel with the budgeting cycle, allowing for timely allocation of additional financial resources to mitigate risks.

Risk management at TKM Group involves the entire organisation:

- The Supervisory Board exercises strategic oversight and, where necessary, provides guidance to the management team on mitigating critical risks;
- The Audit Committee of TKM Group receives regular reporting on risk management and advises the Supervisory Board;
- The Management Board identifies and assesses risks related to the company at least once per year and considers necessary resources during budgeting to ensure risks remain within acceptable levels;
- The Management Board, together with TKM Group's Internal Audit Department, fosters employee awareness of risks;
- TKM Group's Internal Audit Department organises and coordinates the Group's risk management process, including training; each department or unit head implements risk management measures within their teams and raises awareness of the process among employees.

TKM Group significant impacts, risks, and opportunities of TKM Group by ESRS topic areas:

ESRS		Positive impact	Negative Impact	Risks	Opportunities
E1	**Climate change**	Transition to renewable or low-emission energy.	High energy consumption due to continuous use of technological solutions. Impact is amplified using fossil fuels, refrigerant leaks in cooling systems, poor energy efficiency in buildings, and outdated, resource-intensive technologies.	Profit risk due to the increase in energy prices.	To enhance cooperation with supply chain partners to reduce impacts and develop new solutions.
					To respond to new demand for products and services resulting from rising temperatures and climate change.
					To access financial resources on preferential terms.
					Deployment of charging stations at Selver locations.
E5	**Circular economy**	Kaubamaja's business model supports the principles of slow fashion, emphasizing quality, timeless design, and product longevity rather than fast-changing fashion trends.	The company uses various products and packaging materials—such as single-use plastics, food containers, transport packaging, batteries, and tires—that are not currently technically or economically feasible to reuse or recycle. This increases the need for primary resources, contributes to waste generation, and causes microplastics to enter the environment. In addition, the company generates hazardous waste that requires special handling.	Risk of non-compliance with new regulations due to limited circular economy solutions.	

ESRS		Positive impact	Negative Impact	Risks	Opportunities
		The company implements various circular economy solutions that help reduce waste generation and the use of virgin materials.			
S1	**Own workforce**	Job creation.	Work-related injuries.	Risk of shortage of skilled labour.	To promote innovation to reduce workload.
		Providing development opportunities.	Work-related health deterioration.		To enhance attractiveness as an employer.
		Promoting work-life balance.	Gender pay gap.		To diversify the workforce.
		Promoting health and safety.		.	To offer at least the sector median salary.
S4	**Consumers and end-users**	Charity and sponsorship.	Failure to ensure product safety.	Reputational risk resulting from harm caused to the health of customers/end-users.	To attract customers by increasing positive impact in the industry and maintaining credibility.
		Courier services.	Risk of GDPR non-compliance.	Risk of providing a service to a person whose financial situation does not allow it, potentially causing losses to the company and worsening the customer's financial condition.	
		Health-promoting products.			
		Fair marketing practices and communication.			
		Providing flexible payment solutions (Partner Kuukaart and interest-free instalment payments).			
G1	**Business conduct**	Good payment practices.	Errors in conclusion of transactions.	Risk of losing market share due to changing stakeholder preferences.	To be an attractive business partner and achieve more favourable supply conditions.
		Transparent operations and proper business culture (including tax compliance and adherence to legislation).		Risk of legal violations and reputational damage due to lack of transparency in the value chain and inadequate anti-corruption and anti-money laundering procedures.	To increase collaboration with companies, universities, and startups that share similar values.
				Risk of non-compliance and financial losses due to changes in regulatory requirements.	
				The risk of cyberattacks and data breaches, the risk of GDPR violations.	

In 2025, the main areas of focus were related to business conduct. The Group's internal regulations were reviewed, data collection processes were improved, and a new double materiality assessment was conducted. The development of the Group's ESG platform also continued.

Environmental Information

Taxonomy Regulation

Accounting policy

The basis for taxonomy reporting is Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation). The data collection methodology used to calculate and disclose the key performance indicators required by the EU Taxonomy Regulation is based on the Group's best interpretation of Commission Delegated Regulation (EU) 2021/2178. TKM Group does not apply Commission Delegated Regulation (EU) 2026/73 in this report, as it was published in the Official Journal of the EU on 8 January 2026, which, given the early publication deadline of the Group's Consolidated Sustainability Statement, left a disproportionately short time to adapt the methodology and reporting tables. In subsequent reporting periods, the Group plans to adopt Delegated Regulation (EU) 2026/73 as the basis.

Determination and allocation of turnover, capital expenditures (CapEx), and operating expenditures (OpEx):

- Turnover

Determination: TKM Group determines turnover in accordance with Directive 2013/34/EU and the Group's financial statements. Turnover includes income earned during the reporting period, including sales revenue, rental income, and other income related to the real estate segment, such as building rental and development activities, as well as electricity sold to the grid generated by the Group's solar parks.

Allocation: Turnover related to activities aligned with the EU Taxonomy Regulation, such as rental income from buildings constructed or renovated in accordance with the technical screening criteria, is disclosed as taxonomy-aligned turnover in Taxonomy Table A1. Turnover derived from activities covered by the Taxonomy Regulation but not meeting the technical screening criteria is disclosed separately in Taxonomy Table A2.

The Group´s total turnover is presented in the consolidated statement of profit or loss and other comprehensive income in the financial statements (p. 90).

- Capital Expenditures (CapEx)

Determination: The Group's total capital expenditures include costs incurred for the acquisition of tangible fixed assets and investment property. CapEx includes both activities covered by the EU Taxonomy Regulation that are aligned with the taxonomy, as well as activities that are covered by the taxonomy but do not meet the technical screening criteria.

Allocation: Taxonomy aligned capital expenditures include new building construction and renovation projects that comply with the technical criteria of the EU Taxonomy Regulation. Taxonomy eligible but non-aligned CapEx includes projects where the Group lacks sufficient information to verify compliance with the technical screening criteria. CapEx is allocated according to its association with specific activities.

TKM Group does not have a separate capital expenditure plan. Total capital expenditures are presented in Note 13 of the financial statements under "Property, plant and equipment", subsection "Investments in non-current assets", page 111.

- Operating Expenditures (OpEx)

Determination: In accordance with the EU Taxonomy Regulation, the denominator of operating expenditure includes only costs related to asset maintenance, repairs, and short-term leasing, and therefore does not correspond to the total operating expenses reported in the Group's financial statements. The TKM Group's operations are primarily based on retail and wholesale trade and the provision of services, which rely on existing infrastructure and do not require significant specialized production assets. Consequently, operating expenses as defined by the Taxonomy represent an immaterial portion of the Group's cost structure. In the Group's assessment, the nature and volume of activities potentially associated with the Taxonomy have not changed compared to the previous reporting year. This conclusion is supported by a comparison of cost structures from prior years, the regular annual recurrence of maintenance and repair activities in the real estate segment, and the fact that no large-scale new energy efficiency projects were initiated during the reporting period that would have materially altered the volume or nature of expenses. The Group estimates that Taxonomy-related operating expenses for the reporting year remain at a similar level to those of the previous reporting year.

Allocation: During the reporting period, operating expenses associated with the EU Taxonomy Regulation accounted for approximately 0% of the Taxonomy-defined OpEx denominator. As these operating expenses are not material to the Group's business model, the Group applies the exemption provided for in Section 1.1.3.2 of Annex I to Delegated Regulation (EU) 2021/2178 when calculating the numerator. Given the immateriality of operating expenses, a detailed assessment of their alignment is not considered proportionate, and the related costs have therefore been excluded from the numerator.

The Group's sustainability impact and contribution are primarily reflected in revenue and capital expenditure indicators.

Activities excluded from the numerator (0% of operating expenditures) include:

- Installation, maintenance and repair of equipment and devices used for measuring, regulating and controlling building energy efficiency;
- Installation, maintenance and repair of renewable energy equipment;
- Transport using motorcycles, passenger cars and light commercial vehicles;

- Installation, maintenance and repair of elements improving energy efficiency.

The allocation of taxonomy-related costs and turnover is based on technical analysis and available data. To avoid double counting, a clear distinction is made between different activities. In accordance with the Taxonomy Regulation, operating expenses do not include costs related to servicing fixed assets, such as raw materials, project management, or wages of employees operating the equipment. Consolidation adjustments in taxonomy figures are made in line with the principles used in the consolidated financial statements.

Assessment of compliance with Regulation (EU) 2020/852

The economic activities of TKM Group related to taxonomy objectives primarily include the construction of new buildings and the renovation of existing buildings, with a focus on energy optimization and improving energy efficiency. The activities have been assessed in accordance with the requirements of Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and the applicable technical screening criteria set out in the annexes to the European Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486.

In assessing compliance, the criteria for substantial contribution, do no significant harm and minimum safeguards as set out in Article 3 of Regulation (EU) 2020/852 have been applied. For new buildings and renovations, compliance is demonstrated through minimum energy efficiency requirements, such as energy class requirements and building environmental impact assessments. All activities undergo evaluation to ensure that they do not cause significant harm to other environmental objectives (e.g., pollution prevention and control).

TKM Group ensures compliance with minimum safeguards under the EU Taxonomy Regulation to uphold human rights, labour rights, and corporate responsibility standards. This includes the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Core Conventions. TKM Group implements these principles through its Code of Conduct, ensuring that all activities comply with the highest international standards.

The Group's taxonomy aligned turnover, capital expenditures, and operating expenditures are clearly allocated to different economic activities to avoid double counting. The turnover, capital expenditures, and operating expenditures of activities are presented and allocated based on their contribution to achieving environmental objectives. TKM Group relies on the data available during the reporting period and applies a conservative approach when necessary to avoid misclassification.

The climate risk assessment has been conducted in accordance with the sustainability reporting standard and the European Commission Delegated Regulation (EU) 2021/2139. The assessment of climate risks considers the activities covered by the taxonomy regulation. The methodology and results of the climate risk assessment are presented in the Consolidated Sustainability Statement on page 50. For the construction of new buildings and major renovations that comply with the taxonomy, an external consultant has been commissioned to conduct a climate risk assessment.

The Group does not have a climate change adaptation plan, which is why none of the Group's activities are classified as taxonomy eligible from the perspective of climate adaptation. All covered activities are related to climate change mitigation and circular economy targets.

Group activities covered by the Taxonomy Regulation

- **Electricity generation using photovoltaic solar technology (CCM 4.1)**

TKM Group operates three solar parks, where the electricity generated is primarily used for the Group's own buildings. Any surplus electricity fed into the grid is sold, and turnover is generated from electricity sold to the grid.

- **Installation and operation of electric heat pumps (CCM 4.16)**

This activity does not comply with the technical screening criteria for climate change mitigation "substantial contribution" criteria, therefor the alignment to "do no significant harm" criteria has not been assessed. This activity did not take place in 2025.

- **Transport using motorcycles, passenger cars, and light commercial vehicles (CCM 6.5)**

This activity does not comply with the technical screening criteria for climate change mitigation "substantial contribution" criteria, therefor the alignment to "do no significant harm" criteria has not been assessed.

- **Construction of new buildings (CCM 7.1, CE 3.1)**

In the Group's real estate segment, the logistics centre, body shop building in Estonia, and car showroom in Lithuania were constructed in accordance with the technical screening criteria of the Taxonomy Regulation; therefore, all related capital expenditures are considered taxonomy aligned. All three buildings were designed to meet the technical criteria for climate change mitigation and the "do no significant harm" (DNSH) criteria. Due to the lack of data required to assess alignment with the substantial contribution criteria under the circular economy objective, the activity is classified under this objective but not considered aligned. The assessment of compliance with the technical criteria for climate change mitigation was conducted by an external consultant and included a climate risk assessment. Project vulnerability was analysed as a combination of the materiality of relevant climate factors and the project's exposure to them (materiality × exposure =

vulnerability). The summary results showed that there are no high-level climate-related vulnerability factors for the buildings.

- **Renovation of existing buildings (CCM 7.2, CE 3.2)**

In 2024, reconstruction began at the Pirita, Peetri, Keila, and Laulasmaa Selver locations and continued in 2025. The activity meets the technical screening criteria of the Taxonomy Regulation, and the related capital expenditures are considered aligned with the Taxonomy Regulation. The assessment of compliance with the technical criteria was carried out by an external consultant and included a climate risk analysis. The compliance was assessed under the climate change mitigation objective. For each technical criterion, the Group provides evidence of compliance, although in some cases such evidence can only be submitted during or after completion of the work. In buildings where major renovations were undertaken but the 'substantial contribution' technical criterion was not met, the activity was classified as eligible but not aligned.

- **Installation, maintenance and repair of energy efficiency equipment (CCM 7.3)**

The Group has installed various energy efficiency-enhancing elements, including lighting upgrades, CO_2-based refrigeration systems, fans, wall panels, roller doors, upgraded heating pipelines, and replaced air curtains. Although the Group assumes that all products sold within the European Union comply with EU regulations, it does not maintain a registry containing the technical specifications of each product to verify compliance with the "do no significant harm" (DNSH) criteria regarding pollution, therefore, this activity is not considered taxonomy aligned.

- **Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (CCM 7.5)**

The Group has installed heat substation control automation, internal electricity, water, and gas meters, remote-controlled building automation servers with software, replaced heat exchangers, and installed blinds. This activity complies with the technical screening criteria of the Taxonomy Regulation related to climate change mitigation and adaptation. Compliance with the technical criteria is ensured when the installed equipment is listed in the technical screening criteria, and a climate risk assessment has been conducted considering climate change impacts on TKM Group's buildings.

- **Installation, maintenance and repair of renewable energy technologies (CCM 7.6)**

TKM Group operates four solar parks. The taxonomy covered activity includes the installation, repair, and maintenance of solar panel systems and associated technical equipment. Installation involves the physical placement of solar panels and related components (e.g., inverters, cabling, mounting systems) on the Group's buildings. Regular maintenance ensures the system's efficient and safe operation, including cleaning, diagnostics, software updates, and equipment condition assessments. Repairs involve fixing or replacing defective or damaged components to maintain continuous system operation. The technical criteria for climate change mitigation are met, as the Group installs, maintains, and repairs solar parks and has conducted a climate risk assessment. In 2025, expenditures were lower than in 2024 because the existing solar parks are new and no additional ones were built.

- **Acquisition and ownership of buildings (CCM 7.7)**

TKM Group owns several real estate properties in Estonia and Latvia. In 2025, no new buildings were acquired, but real estate activities were carried out with existing properties, primarily leasing. The logistics centre owned by TKM Group, described in detail under "Construction of New Buildings (CCM 7.1, CE 3.1)," complies with the "substantial contribution" technical screening criteria for climate change mitigation and the "do no significant harm" (DNSH) criteria. Other buildings do not meet technical screening criteria for climate change mitigation and are therefore not considered taxonomy aligned. The logistics centre is leased to a non-Group company, while the other two buildings are used by Group entities.

Contextual information

Turnover

TKM Group determines the numerator of the turnover KPI based on taxonomy-aligned activities, such as building rentals and other real estate-related income. In the reporting period, taxonomy-aligned turnover accounted for 1% of the Group's total turnover. Internal consumption related to taxonomy activities is not reported.

Capital Expenditures (CapEx)

Capital expenditures are related to real estate development and renovation projects. For example, investments in the body shop and the car showroom in Lithuania, which are aligned with the Taxonomy Regulation, constitute a significant share of the capital expenditures. TKM Group does not report any additions to taxonomy-related capital expenditures arising from business combinations during the reporting period. The Group's goal is to ensure that all major real estate investments comply with the requirements of the Taxonomy Regulation.

Operating Expenditures (OpEx)

Taxonomy-aligned operating activities mainly include building maintenance and technical system upgrades, but their share is marginal and therefore not reported in the numerator. Total operating expenditures do not match those in the consolidated financial statements, as Taxonomy-defined OpEx differs from accounting OpEx.

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	NO

	Proportion of turnover/ Total turnover				**Proportion of CapEx / Total CapEx**				**Proportion of OpEx / Total OpEx**	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective			Taxonomy-aligned per objective	Taxonomy-eligible per objective			Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	1%		CCM	60%	6%		CCM	0%	0%
CCA	-	-		CCA	-	-		CCA	-	-
WTR	-	-		WTR	-	-		WTR	-	-
CE	-	-		CE	-	-		CE	-	-
PPC	-	-		PPC	-	-		PPC	-	-
BIO	-	-		BIO	-	-		BIO	-	-

Financial year 2025	2025			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	**Code (2)**	**Turnover (3)**	**Proportion of Revenue, year 2025 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Revenue, year 2024 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		THOUSANDS, EUR	*%*	***Y; N; N/ EL***	*Y; N; N/ EL*	*Y; N; N/ EL*	*Y; N; N/ EL*	*Y; N; N/ EL*	*Y; N; N/ EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	1	0%	**Y**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Acquisition and ownership of buildings	CCM 7.7	1 934	0%	**Y**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1 935	0%	**%**	**%**	**%**	**%**	**%**	**%**	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		1	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-	E	
Of which transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	5 747	1%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5 747**	**1%**	**1%**	-	-	-	-	-								1%		
Turnover of Taxonomy eligible activities (A.1+A.2)		**7 682**	**1%**	**1%**	-	-	-	-	-								7 311		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**911 966**	**99%**																
Total		**919 648**	**100%**																

B. Turnover of Taxonomy-non-eligible activities in 2024 was 937,257 thousand euros and total turnover was 944,568 thousand euros.

Financial year 2025	2025			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	**Code (2)**	**CapEx (3)**	**Proportion of CapEx, year 2025 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2024 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		THOUSANDS, EUR	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Construction of new buildings	CCM 7.1	12 270	51%	**Y**	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	52%		
Renovation of existing buildings	CCM 7.2	2 096	9%	**Y**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
Installation, maintenance, and repair of tools and equipment used for measuring, regulating, and controlling the energy efficiency of buildings	CCM 7.5	0	0%	**Y**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Installation, maintenance, and repair of renewable energy equipment	CCM 7.6	0	0%	**Y**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		14 366	60%	**60%**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	52%		
Of which enabling		0	0%	**0%**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		2 096	9%	**9%**	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation and operation of electric heat pumps	CCM 4.16	0	0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport with motorcycles, passenger cars, and light commercial vehicles	CCM 6.5	959	4%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								1%		T
Renovation of existing buildings	CCM 7.2	16	0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								9%		T
Installation, maintenance, and repair of elements that enhance energy efficiency	CCM 7.3	351	1%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								1%		T
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1 326**	**6%**	**6%**	-	-	-	-	-								11%		
CapEx of Taxonomy eligible activities (A.1+A.2)		**15 692**	**66%**	**66%**	-	-	-	-	-								23 240		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**8 352**	**35%**																
Total		**24 044**	**100%**																

B. CapEx of Taxonomy-non-eligible activities in 2024 was 13,333 thousand euros and total CapEx was 36,573 thousand euros.

Financial year 2025	2025			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		THOUSANDS, EUR	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0%**	-	-	-	-	-	-								0%		
OpEx of Taxonomy eligible activities (A.1+A.2)		**0**	**0%**	-	-	-	-	-	-								1 986		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**18 122**	**100%**																
Total		**18 122***	**100%**																

*A material methodological refinement was implemented in the allocation of operating expenses, resulting in the exclusion of previously included costs from the calculation of the Group’s total operating expenses.

B. OpEx of Taxonomy-non-eligible activities in 2024 was 15,250 thousand euros and the total OpEx was 17,236 thousand euros.

ESRS E1 Climate Change

Transition plan for climate change mitigation

To mitigate the negative impacts of climate change and support climate change mitigation, the Group has adopted the Sustainability Strategy 2030, which facilitates the Group's transition to a climate-neutral economy. This strategy is integrated into financial and key strategic decision-making. The Group's largest revenue-generating segment operates in retail trade, a sector not covered by the Science-Based Targets (SBT) framework for transition planning in line with the 1.5°C global warming target. Estonia is currently developing a Climate-Resilient Economy Act, and upon its enforcement, TKM Group will align with the emission reduction targets set by the law and update its Sustainability Strategy accordingly if necessary. In 2025, the Group developed an initial version of an environmental policy applicable to all subsidiaries. The policy will enter into force following approval by the Management Board, which is planned for 2026.

Material impacts, risks and opportunities and their interaction with strategy and business model

The significant impacts, risks, and opportunities associated with climate change for the Group include:

ESRS		Positive impact	Negative Impact	Risks	Opportunities
E1	**Climate change**	Transition to renewable or low-emission energy.	High energy consumption due to continuous use of technological solutions. Impact is amplified using fossil fuels, refrigerant leaks in cooling systems, poor energy efficiency in buildings, and outdated, resource-intensive technologies.	Profit risk due to the increase in energy prices.	To enhance cooperation with supply chain partners to reduce impacts and develop new solutions.
					To respond to new demand for products and services resulting from rising temperatures and climate change.
					To access financial resources on preferential terms.
					Deployment of charging stations at Selver locations.

As a positive impact, the Group highlights its climate change mitigation activities, which support long-term resilience and business sustainability. Climate action helps the Group remain competitive and contributes to a more stable economic environment. All properties owned by the Group use low-emission electricity, and investments are made in renewable energy production, including the development of solar parks.

The Group's operations also have negative impacts. Fossil fuel use in Selver's delivery vehicles generates direct greenhouse gas emissions. Buildings have high energy consumption, which is a significant contributor. Since most retail premises are rented, improving energy efficiency depends largely on landlords. Cooling systems further increase energy use and potential refrigerant leaks cause additional emissions. Low energy-efficiency buildings may face reduced rental or sale prospects in the future, raising the risk level in the real estate segment.

Energy price fluctuations and potential long-term increases represent a significant financial risk. Rising operating costs could impact profitability and limit investment capacity, particularly in retail, where energy use is high and passing costs to consumers is limited.

Key opportunities lie in strengthening cooperation with supply chain partners to reduce environmental impacts and develop innovative solutions. There's also potential to respond to new demand from rising temperatures and shifts in consumer behaviours. Further opportunities include attracting financing under better terms, especially when investments meet EU Taxonomy technical screening criteria, and building electric vehicle charging infrastructure at Selver stores to support both customer expectations and the Group's sustainability goals.

The Taxonomy Report (p. 43) includes capital expenditures related to climate mitigation in real estate, vehicles, and renewable energy equipment.

Description of the processes to identify and assess material climate-related impacts

To assess climate-related significant impacts, risks, and opportunities, the Group used the Task Force on Climate-related Financial Disclosures (TCFD) climate risk framework.

Climate change affects the Group in two ways:

- Physical changes: storms, floods, rising average temperatures, increased precipitation, and other climate-related shifts.
- Transition to a climate-neutral economy: new regulations, changing stakeholder interests and values, evolving needs, and reporting obligations.

The analysis was conducted at both subsidiary and parent company levels. This report presents consolidated results. Physical risks were assessed primarily in the context of Estonia, Latvia, and Lithuania. The analysis utilized data from IPCC WGI Interactive Atlas, Copernicus Climate Pulse, and The Estonian Climate Scenarios Report for 2100. However, broader impacts were also considered, particularly supply chain disruptions and certain product categories. Transition risks were evaluated in the Baltic and EU context, primarily considering the EU's plan to achieve a climate-neutral economy by 2050. Risks with a significant financial impact were defined as those resulting in losses of at least €100,000 within one year. Over the long term, financial impact may increase if the likelihood of a given scenario rises, which is why the Group also accounts for risks with lower short-term financial losses.

Scenarios:

- 1.5˚C – Early Transition (IPCC RCP 1.9), a gradual but rapid transition to a climate-neutral economy, keeping global average temperature rise within 1.5˚C by 2100.
- Up to 2˚C – Gradual Slow Transition (IPCC RCP 2.6), a gradual and slower transition to a climate-neutral economy, limiting global temperature rise to 2˚C by 2100.
- 2˚C – 4.3˚C – No Transition to a Climate-Neutral Economy (IPCC RCP 8.5), rapid global warming, where the average temperature increase exceeds 2˚C and could reach 4.3˚C (by year 2100).

Climate-Related Risks		Probable annual loss (eur)	Time Period (Risk Possibility & Realization)			Scenarios (Sensitivity, Probability)		
			1 year	1-5 years	5+ years	1,5˚C	Up to 2˚C	Over 2˚C
Physical risks	Shortage of components/raw materials, slow delivery	25,000	●			●●	●●	●●●
	Decline in the quality of purchased goods	25,000			●	●	●●	●●●
	Storm damage, restricted access, and material asset damages	135,000	●			●●	●●	●●●
	Inadequate indoor climate due to extreme weather conditions and its impact on employees, tenants	14,140		●		●	●	●●
	Increase in raw material prices	60,000			●	●	●	●
	Implementation of new efficient cooling systems affects store indoor climate	88,800	●			●	●	●

Climate-Related Risks		Probable annual loss (eur)	Time Period (Risk Possibility & Realization)			Scenarios (Sensitivity, Probability)		
			1 year	1-5 years	5+ years	1,5˚C	Up to 2˚C	Over 2˚C
Transitional Risks	Changing stakeholder expectations	178,777		●		●	●●	●●●
	Increase in administrative burden due to ESG regulations	50,000	●			●	●●	●●●
	Non-compliance with climate regulations for manufacturers affects production (wrong manufacturer strategy)	20,000		●		●	●	●●
	Introduction of additional taxes	59,750			●	●●●	●●●	●●●
Total Climate-Related Risks		**656,467**						

— Risk possibility over time
● Possible risk realization moment
● Low probability
●● Medium to high probability
●●● Very high probability

Climate-Related Opportunities		Time Period (Potential Opportunity Timing & Realization)			Scenarios (Sensitivity, Probability)		
		1 year	1-5 years	5+ years	1,5˚C	Up to 2˚C	Over 2˚C
Transitional opportunities	Establishing charging stations near Selver stores	●			●●●	●●	●
	Automation of building management		●		●●●	●●●	●●
	Providing solutions for changing consumption patterns			●	●●	●	●
	Raising awareness	●			●●	●●	●
	Increase in circular economy of waste		●		●●●	●●●	●●●
	Contributing to biodiversity conservation			●	●●	●	●

— Opportunity timing over time
● Potential opportunity realization moment
● Low probability
●● Medium to high probability
●●● Very high probability

Climate Risk Analysis indicates that the impact of both physical and transition risks on the Group's resilience is low in the short-, medium-, and long-term periods. This is primarily due to the Group's risk mitigation strategies and proactive measures.

The financial impact of opportunities was not quantified, as such disclosure does not meet the qualitative characteristics of useful information.

The climate risk and opportunity analysis is conducted annually in the fourth quarter. During this process, the Group reviews planned actions for preventing and mitigating risks, evaluates the effectiveness of previous year's measures.

Policies related to climate change mitigation and adaptation, actions, resources and targets in relation to climate change policies

TKM Group has set the goal of achieving climate neutrality by 2050 at the latest. To reduce its direct carbon footprint, most climate-related investments are directed toward reducing Scope 1 and Scope 2 emissions. Climate mitigation and adaptation goals and actions are outlined in the TKM Group Sustainability Strategy 2030.

High-impact companies within the Group, such as Kaubamaja, Selver, and Kulinaaria, monitor the amount of single-use plastic they place on the market, implement reduction measures, and increase the share of recycled and recyclable mono material packaging in their private label products.

In real estate services, the aim is to increase energy efficiency across the portfolio and design new buildings with climate resilience in mind. Major renovations of existing buildings are carried out in line with the EU Taxonomy Regulation, and new buildings are designed to comply whenever possible.

Store renovations incorporate energy-efficient technologies and low-emission refrigerants. In the automotive sector, the vehicle portfolio is gradually shifting from internal combustion engine vehicles to electric vehicles, driven by manufacturers' decisions and EU climate targets.

Key barriers to achieving climate neutrality include the limited availability or high cost of low-emission alternatives and low-quality data across the supply chain.

In the long term, the Group aims to reduce its footprint in alignment with the Paris Climate Agreement, with the use of low-emission energy supporting the achievement of this target.

Greenhouse gases: method and emission factors

In calculating the Group's carbon footprint, the methodology follows the internationally recognized and widely used greenhouse gas (GHG) measurement standard – The Greenhouse Gas Protocol Corporate Standard (from here on GHG Protocol). The standard covers seven greenhouse gases defined by the Kyoto Protocol: Carbon dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF_6), Nitrogen trifluoride (NF_3). Under the GHG Protocol, emissions are categorized into three scopes:

- Scope 1: Direct emissions from on-site sources, including energy production and fuel consumption in company-owned vehicles.
- Scope 2: Indirect emissions from purchased electricity, heating, cooling, and steam consumption.

- Scope 3: All other indirect emissions from the company’s value chain.

For the assessment of greenhouse gas (GHG) emissions, financial control was used. The calculations have not been verified by a third party, except for the assurance provider (the Consolidated Sustainability Statement auditor).

The Group focuses on developing and implementing energy-saving solutions for energy-intensive processes and on reducing the direct negative impact of its operations. For calculating emissions in Scopes 1, 2, and partially Scope 3, the 2025 GHG footprint calculation model developed by the Estonian Ministry of Climate (hereinafter “the model”) is used. The model is designed for calculating emissions in Estonia and includes emission factors for electricity and heat production in Estonia, which are more accurate than European averages. For Latvia and Lithuania, either the emission factors from the model or, where available, supplier-specific emission factors are used. For Scope 3, significant estimates are also applied (see page 34).

Biomass combustion in Scope 2 heat production resulted in 5,210 tonnes of biogenic CO_2 (2024: 3,054 tonnes).

Where market-based assessment is used, Elering’s 2024 data on electricity is applied to calculate emissions for electricity that would otherwise use a zero-emission factor (e.g., nuclear and renewable energy purchased with certificates). Heat consumption in Lithuania accounted for 1% of the Group’s total consumption; therefore, the model’s emission factor was used there, as it does not significantly affect the Group’s overall result. All emission factors reflect the best publicly available information as of 31 December 2025.

Scope and Source	Emission Factor Source
Scope 1 All refrigerants (Estonia, Latvia)	IPCC AR5
Scope 1 Vehicle fuels (Estonia, Latvia, Lithuania)	GHG Inventory Report 2024
Scope 1 Fuels used in boilers (Estonia, Latvia)	GHG Inventory Report 2024
Scope 2 Purchased electricity, grid electricity (Estonia)	Elering, Residual mix emission intensity 2024
Scope 2 Purchased electricity, renewable energy (Estonia)	CoM 2017
Scope 2 Purchased electricity, nuclear energy (Estonia)	JEC WTT v5
Scope 2 Purchased electricity, grid electricity (Latvia, Lithuania)	AIB 2024
Scope 2 Purchased heat energy (Estonia)	Utilitas Tallinn, 2024. Utilitas Estonia 2024
Scope 2 Purchased heat energy (Estonia)	Gren Tartu, 2024. Gren Estonia, 2024
Scope 2 Purchased heat energy (Estonia, Lithuania)	GHG Inventory Report 2024, Estonian average
Scope 2 Purchased heat energy (Latvia)	Latvenergo, 2023

Scope 3 Purchased goods and services, calculations were based on sector-specific cost-based emission factors.

Scope 3 Capital goods the lifecycle emissions of new buildings were calculated using the OneClick LCA tool. For overall capital expenditure, Climatiq cost-based emission factors were applied.

Scope 3 Fuel- and energy-related activities (not included in Scopes 1 or 2) emissions were calculated using the UK Government GHG Conversion Factors for Company Reporting 2025 model.

Scope 3 Upstream transport and distribution emissions were calculated using cost-based emission factors from EXIOBASE 2019.

Scope 3 Waste generated in operations, where possible, value chain actors (waste handlers) were involved to determine waste treatment methods. Emission factors were based on the model. Waste quantities came from waste handlers' reports and invoices. This includes both hazardous and non-hazardous waste. For recyclable waste (e.g., mixed packaging, glass, wood, plastic, and other mono-material packaging), emissions were estimated based on transportation: assuming 0.39 L/km fuel consumption for waste trucks, average collection route of 250 km, average load of 9 tonnes, and diesel emission factor from the 2022 GHG inventory report. For landfilled and incinerated waste, emission factors from the model were used, based on TalTech and SEI 2019 assessments. All emission factors reflect the best publicly available data as of 31 December 2025.

Scope 3 Employee commuting was calculated using Statistics Estonia's 2024 mobility data on commuting distances and modes of transport.

Scope 3 End-of-life treatment of sold products is based on emissions from packaging placed on the market. Data sources include Plastics Europe 2013, BEIS 2024, and Circular Ecology 2024.

Scope 3 Downstream leased assets include emissions from electricity and heat resold by the Group's companies (Selver, Kia Auto, TKM Kinnisvara, TKM Kinnisvara Tartu) to tenants. Data was based on tenant billing records.

Scope and Source	Emission Factor Source	% of Supplier Data Used
Scope 3 Capital goods	EPA 2022, EXIOBASE 2019	0%
Scope 3 capital goods	One Click LCA tool, Climatiq 2024	0%
Scope 3 fuel- and energy-related activities (not included in Scopes 1 or 2)	UK Government GHG Conversion Factors for Company Reporting 2025	0%
Scope 3 upstream transport and distribution	EXIOBASE 2019	0%
Scope 3 waste generated in operations	Life Cycle Assessment Model WAMPS; TalTech, SEI Tallinn 2019; Estimated Driving Cycle Emissions	0%
Scope 3 employee commuting	GHG Inventory Report 2024	0%
Scope 3 end-of-life treatment of sold products	Plastics Europe 2013, BEIS 2024, Circular Ecology 2024	0%
Scope 3 downstream leased assets (sold electricity, grid electricity, Estonia)	Elering 2024, specific emission factor for residual electricity mixes 2023	0%
Scope 3 downstream leased assets (sold electricity, renewable energy, Estonia)	CoM 2017	
Scope 3 downstream leased assets (sold electricity, nuclear energy, Estonia)	JEC WTT v5	
Scope 3 downstream leased assets (sold heat energy, Estonia)	Utilitas Tallinn, 2024. Utilitas Eesti 2024	0%
Scope 3 downstream leased assets (sold heat energy, Estonia)	Gren Eesti, 2024	
Scope 3 downstream leased assets (sold heat energy, Estonia)	GHG Inventory Report 2024, Estonian average	

Energy consumption and mix

In calculating the reported energy consumption, the same scope was applied as in Scope 1 and 2 GHG emissions calculations. According to ESRS, TKM Group's subsidiaries operate in high climate impact sectors: wholesale and retail trade, real estate activities, and manufacturing. High-impact sectors are listed under NACE divisions A–H and L, as defined in Delegated Regulation (EU) 2022/1288.

For assessing energy use and energy source distribution, the financial control approach under the GHG Protocol was used. Calculations were not verified by a third party, except by the assurance provider for the sustainability report (sustainability report auditor).

Energy-related targets and action plans are described in the TKM Group Sustainability Strategy 2030. The Group has assessed energy use and the effectiveness of current measures through GHG measurement and reduction efforts.

Energy Consumption of the Group	2025 (MWh)	2024 (MWh)
Total Energy Consumption from Fossil Fuel Sources	**53,568**	**60,642**
of which fuel consumption: coal and coal products	0	0
of which fuel consumption: crude oil and petroleum products	8,565	8,838
of which fuel consumption: natural gas	42	148
of which fuel consumption from other fossil sources	0	0
of which purchased or acquired electricity, heat, steam, or cooling energy produced from fossil fuel sources	44,961	51,655
Total Energy Consumption from Nuclear Energy Sources	**31,755**	**26,327**
Total Energy Consumption from Renewable Energy Sources	**23,729**	**16,373**
of which fuel consumption from renewable energy sources	172	336
of which purchased or acquired electricity, heat, steam,	23,128	15,543

or cooling energy produced from renewable sources		
Energy Consumption of the Group	**2025 (MWh)**	**2024 (MWh)**
of which consumption of self-produced renewable energy for non-fuel purposes	429	494
Total Energy Consumption	**109,053**	**103,342**
Total Energy Consumption from High-Impact Climate Sectors	**105,290**	**98,494**
Group's Self-Produced Renewable Energy	**909**	**778**

Energy Intensity Based on Net Revenue	**2025**	**2024**
Net revenue from activities in high climate impact sectors used to calculate energy intensity (thousand €)	889,181	912,847
Of which net revenue (other)*	889,181	912,847
Of which net revenue (financial statement)	0	0
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€)	0	0

*Includes the activities of all companies, except TKM Finants AS, TKM Group AS (parent company operations), and Viking Security AS, as these are not high climate impact sectors.

TKM Group does not participate in the carbon market and does not use carbon offsetting or sequestration to reduce emissions.

Gross Scopes 1, 2, 3 and Total GHG emissions

In 2024, TKM Group conducted a significant emissions analysis, which was updated in 2025. The following Scope 3 categories were identified as material for the Group:

- Purchased goods and services
- Capital goods
- Fuel- and energy-related activities (not included in Scopes 1 or 2)
- Upstream transportation and distribution
- Waste generated in operations
- Employee commuting
- End-of-life treatment of sold products
- Downstream leased assets

The following categories were deemed immaterial:

- Business travel

Included under "Purchased goods and services"; reporting separately would result in double counting.

- Upstream leased assets

Most of the Group's assets are owned and reflected on the balance sheet; impact from upstream leases is negligible.

- Downstream transportation and distribution

Selver courier vehicles are reported under Scope 1; impact of outsourced services (e.g., e-store delivery) is low.

- Processing of sold products

The Group does not sell raw materials or semi-finished products; this category has minimal relevance.

- Use of sold products

As a retail business, the downstream use-phase impact is considered marginal.

- Franchises

The Group has no activities in this category.

- Investments

Subsidiary emissions are already consolidated; the Group does not issue loans to high-emission clients nor operate large-scale real estate development.

Compared to 2024, employee commuting and end-of-life treatment of sold products were identified as material categories in 2025, while downstream transportation in the value chain was assessed as non-material.

Rävala Parkla AS (50% owned) is excluded from the consolidated sustainability report as the Group has neither financial nor operational control over the company. Its energy use is comparable to that of the Group's smallest subsidiaries, and its exclusion does not materially affect the Group's emissions profile.

Capital goods include major investments. Upstream transportation and distribution cover all logistics-related expenses. Employee commuting was deemed material due to its link with the Group's core operations and was calculated using Statistics Estonia data. End-of-life treatment of sold products covers the packaging of private-label goods, primarily plastic, with high environmental impact. Downstream leased assets are fully under the Group's operational and financial control and are therefore considered material.

In line with the Group's Sustainability Strategy, the base year for comparison is 2018.

	Retrospective				Milestones and target years			
	Base year (2018)	Comparative period, 2024*	2025	% (2025 / 2024)	2026	2030	2050	Annual target (%) / Base year
Scope 1 GHG Emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	11,600	13,052	10,119	-22%	-	-60%	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-	-	-	-	-
Scope 2 GHG Emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	-	43,371	44,265	2%	-	-	-	-
Gross market-based Scope 2 GHG emissions (tCO_2eq)	83,200	26,071	24,280	-7%	-	-75%	-	-
Significant Scope 3 GHG Emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	-	337,839*	313,554	-7%	-	-	-	-
1. Purchased goods and services	-	265,943*	267,512	1%	-	-	-	-
2. Capital goods	-	61,011*	34,647	-43%	-	-	-	-
3. Fuel and energy-related Activities (not included in Scope1 or Scope 2)	-	4,260*	4,602	8%	-	-	-	-
4. Upstream transportation and distribution	-	320*	1,592	398%	-	-	-	-
5. Waste generated in operations	-	1,539	1,220	-21%	-	-7%	-	-
6. Business travelling	-	-	-	-	-	-	-	-
7. Employee commuting	-	3,323*	2,292	-31%	-	-	-	-
8. Upstream leased assets	-	-	-	-	-	-	-	-
9. Downstream transportation	-	-	-	-	-	-	-	-
10. Processing of sold products	-	-	-	-	-	-	-	-
11. Use of sold products	-	-	-	-	-	-	-	-
12. End-of-life treatment of sold products	-	171*	179	5%	-	-	-	-
13. Downstream leased assets	-	1,272	1,509	19%	-	-	-	-
14. Franchises	-	-	-	-	-	-	-	-
15. Investments	-	-	-	-	-	-	-	-
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	-	394,262*	367,938	-7%	-	-	-	-
Total GHG emissions (market-based) (tCO_2eq)	-	376,962*	347,953	-8%	-	-	-	-

* The Group's 2024 Scope 3 emissions have been restated in accordance with the new methodology developed in 2025. For further details, see the section 'Restatement of Comparative Period Information, page 33.

GHG intensity per net revenue	Comparative period, 2024	2025	% 2025/2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/thousand €)	0,40*	0,38	-5%
Total GHG emissions (market-based) per net revenue (tCO_2eq/thousand €)	0,42*	0,40	-4%
Net Revenue (thousand €)**	944,568	919,648	-3%

* The Group's 2024 Scope 3 emissions have been restated in accordance with the new methodology developed in 2025. For further details, see the section 'Restatement of Comparative Period Information, page 33.

**Net revenue can be found in the consolidated annual report under the section "Consolidated Statement of Profit and Other Comprehensive Income" on page 90.

TKM Group does not use natural CO_2 sinks or implement technical solutions for carbon sequestration in its operations, data on its upstream and downstream value chains in unavailable, therefore, it cannot be stated that no natural CO_2 sinks are used or that other technical solutions are not implemented. The Group does not participate in regulated emission trading systems and does not apply internal carbon pricing schemes.

A significant environmental impact in **Scope 1** comes from the refrigeration and cooling systems used in the Group's department stores and supermarkets. To reduce the impact from refrigeration systems, the Group is gradually replacing older freon-based equipment with new CO_2-based refrigeration and cooling systems. In addition to significantly lower energy consumption, the use of these systems poses a considerably lower risk to the external environment. When replacing systems, glass doors and covers are installed on store refrigeration shelves, counters, and freezers, further increasing energy savings.

Further actions:

- Fleet replacement depends on the national action plan and available alternatives. The Group monitors technological developments and changes in the transport sector to decide whether and how quickly changes should be implemented.
- Wider adoption of electric vehicles in company operations. Expected greenhouse gas reduction of up to 1%.
- Encouraging fuel-efficient driving (eco-driving) for Selver couriers. Expected greenhouse gas reduction of up to 5%.
- Replacing F-gases in Selver's refrigeration systems with CO_2. Expected greenhouse gas reduction of 55%.

In **Scope 2**, the largest share of the Group's energy consumption comes from cooling and technological refrigeration systems used in department stores and Selver supermarkets (~50-60% of a store's energy consumption). A key element in energy efficiency is energy-saving lighting solutions. When designing lighting solutions in department stores and supermarkets, factors such as room layout, furnishings, and product placement are considered to reduce energy consumption while ensuring adequate lighting throughout the store. Significant energy savings have already been achieved through these efforts, and this process will actively continue in the coming years. Among other energy efficiency measures, the automation and operational control of heating and ventilation systems via remote management systems has a major impact.

Further actions:

- Increasing the share of low-emission electricity. Expected greenhouse gas reduction of up to 10%.
- Solar parks will be installed on the Group's building rooftops, reducing location-based GHG emissions up to 5%.
- All new buildings will be constructed in compliance with the EU Taxonomy Regulation, where possible.
- Gradual renovation of buildings, with all major renovations aligned with the EU Taxonomy Regulation where possible. Expected location-based greenhouse gas reduction of up to 5%.
- Prioritizing low-energy consumption technology in new acquisitions. Expected location-based greenhouse gas reduction of up to 15%.

The Group's **Scope 3** emissions are primarily from purchased goods and services (85%) and capital goods (11%); all other categories combined contribute less than 4%. No reduction targets have been set for these categories, as the focus until 2030 remains on cutting direct emissions.

Future GHG emissions linked to the Group's main assets and products may challenge target achievement and pose transition risks—especially due to high building energy use and limited low-emission heating options. High costs of low-emission fuels and electric vans also hinder broader adoption. Given the central role of logistics, transition risks may arise in this area as well. The Group has not set science-based GHG reduction targets (SBTi) but will revisit the need post-2030. The GHG assessment method is outlined in the sustainability report, GHG subchapter, p. 52.

ESRS E5 Resource Use and Circular Economy

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The 2025 assessment showed that the approach to resource use and circular economy has become more holistic and strategic compared to previous years. The focus shifted from isolated packaging and waste issues to the entire business model and value chain, covering both the recyclability of products and materials, as well as related regulatory and financial risks. No separate business opportunities were identified under the circular economy topic in the new assessment.

Material impacts, risks, and opportunities and their connection to strategy and business model

ESRS		Positive impact	Negative Impact	Risks	Opportunities
E5	**Circular economy**	Kaubamaja's business model supports the principles of slow fashion, emphasizing quality, timeless design, and product longevity rather than fast-changing fashion trends.	The company uses various products and packaging mate-rials—such as single-use plastics, food containers, transport packaging, batteries, and tires—that are not currently technically or economically feasible to reuse or recycle. This increases the need for primary resources, contributes to waste generation, and causes microplastics to enter the environment. In addition, the company generates hazardous waste that requires special handling.	Risk of non-compliance with new regulations due to limited circular economy solutions.	
		The company implements various circular economy solutions that help reduce waste generation and the use of virgin materials.			

Positive impact stems from Kaubamaja's business model, which supports slow fashion by emphasizing product quality, timeless design, and durability. The Group also implements circular economy solutions aimed at reducing waste and the use of virgin raw materials — including transitioning to reusable packaging and replacing composite packaging with monomaterials to improve recyclability.

Negative impact arises from the products and packaging placed on the market. The Group is a major user and introducer of packaging, with supermarket segment packaging making up the majority of the Group's single-use plastics. Plastic plays a key role in the food industry, but single-use plastics are of particular concern as much of it is not returned to recycling and often ends up in mixed waste or the environment — especially marine ecosystems. It is therefore crucial to design packaging with end-of-life treatment in mind, avoiding composites to enable recycling. While landfilling of mixed municipal waste is prohibited in Estonia, incineration is not a preferred solution, as recycling reduces the need for virgin resources, whereas incineration removes valuable material from the loop. The EU has set recycling targets ((EU) 2018/851, (EU) 2018/852), which also apply to Estonia and require companies to contribute to achieving them. Additionally, the Group's operations generate hazardous waste that requires special handling, increasing environmental and compliance risks.

The main risk arises from regulatory requirements and potential increases in financial burden related to packaging, waste, and material use restrictions. At a strategic level, this means the Group must consider recyclability and product life cycle already at the design stage of products and packaging to mitigate long-term regulatory and cost risks and ensure that the business model remains aligned with evolving environmental and market expectations.

Policies related to resource use and circular economy

In 2025, the Group developed a first version of its environmental policy, addressing the use of secondary (recycled) materials in private label packaging, the promotion of circular economy, and waste recycling. The policy will enter into force following Management Board approval, planned for 2026.

Actions and resources in relation to resource use and circular economy

The use of secondary raw materials (recycled materials) can be increased in private label product packaging as well as in e-commerce. In addition to using secondary raw materials, the retail segment is exploring packaging reuse and recycling systems to help reduce waste in downstream value chain stages.

Additional actions to promote circular economy:

- Since 2020, Kaubamaja e-store has replaced bubble mailers with wool waste-based envelopes, which can be recycled. E-store cardboard boxes have a minimalist design to reduce ink usage, and reusable boxes made from textile waste have also been introduced.

- Collaboration with Uuskasutuskeskus (Reuse Centre): Permanent collection points for used clothing and shoes have been established in Kaubamaja stores. Promotional campaign materials have been donated for reuse in children's institutions and crafts projects for people with special needs.
- To prevent hazardous waste from entering nature, collection containers have been installed in department stores and shops. Customers can dispose of used batteries, small electronics, and packaging waste (paper, glass, and plastic). All grocery stores are equipped with reverse vending machines for deposit-marked beverage containers.
- Partner Card customers can opt out of paper receipts, as all purchases are stored in the self-service system. The Group has adopted digital, paper-free solutions in marketing, logistics, and payment systems, reducing environmental and operational burdens. Selver has implemented electronic price tags in all stores.
- The Partner Gift Card and Partner Card are available in digital format, with the mobile app encouraging customers to switch from physical cards, reducing PVC waste.
- Selver home deliveries offer reusable deposit bags. In 2023, a customer survey at Torupilli Selver revealed that customers prefer reusable alternatives both for environmental reasons and convenience (to avoid clutter from disposable bags).
- I.L.U. stores accept empty packaging from purchased products to encourage separate packaging waste sorting. To motivate participation, customers earn Partner Card bonus points when returning empty packaging.

Targets related to resource use and circular economy

In accordance with Section 5(5) of the Packaging Act, measures must be implemented to achieve a measurable reduction in the consumption of single-use plastic products (as specified in Section 3(7) points 3 and 4) by 2026, compared to 2023. Under Section 5(7) of the Packaging Act, packaging companies are required to develop an action plan to ensure the reduction of single-use plastic consumption.

Kaubamaja's Goals for 2026:

- Explore the possibility of implementing a deposit packaging system for the e-store.
- Introduce a fee for thin plastic bags in Toidumaailm, with a plan to reduce plastic bag consumption by 25%.
- Increase the purchase rate of reusable bags by 10% per year.
- Implement a reusable packaging system in Toidumaailm (in collaboration with a trusted partner that complies with the Agricultural and Food Board's regulations).
- Find solutions to ensure that all packaging is recyclable and can be directed into the recycling system.
- Engage more with customers on environmental sustainability topics.

Selver's Goals for 2026:

- Sustainable Packaging Use: store-made food will be packaged in recyclable materials. Expand the product portfolio of mono-material packaging, ensuring food safety and quality. Eliminate polystyrene foam packaging for hot and cold food at service counters and replace composite material bags in bakery sections (where possible by 2026).
- Encouraging Customers to Use Sustainable Packaging: customers can bring their own packaging for food and drinks purchased in-store. Conditions for this practice will be clearly displayed in stores. Marketing campaigns will encourage customers to shop with their own packaging (since 2023). The company is open to collaboration and pilot projects to test fast, convenient, and safe reusable packaging systems (since 2023). In-store and e-store options for purchasing products in recycled, renewable, and reusable packaging (e.g., shopping bags, cardboard boxes) have been available since 2023. Customers will have the option to pack fruits and vegetables in reusable packaging (e.g., their own packaging, reusable mesh bags sold in-store) or a paid thin plastic bag (starting second half of 2026).
- Encouraging Employees to Use Sustainable Packaging: project "Selver Employees Lead by Example". Employees are encouraged to use their own containers for takeaway food from service counters and their own cups for beverages from vending machines (since 2023).

Kaubamaja and Selver are actively seeking alternatives to single-use packaging for takeaway food. Since fall 2023, both Selver and Kaubamaja have allowed customers to purchase ready-to-eat food using their own containers.

Kulinaaria and Selver are increasingly replacing composite packaging with mono-material packaging. Most Selver Köök products now include sorting instructions to make waste separation easier for customers. 29% of production is already packaged in recycled material packaging, significantly reducing environmental impact. Year by year, the share of mono-material packaging is increasing, with the goal of achieving 100% recyclable packaging.

Resource inflows

The Group considers private label product packaging to be significant, with input flows being the same as output flows. The largest portion of packaging waste comes from Selver Köök products (e.g., soups, salads, desserts, etc.). An overview of private label product packaging types can be found in the table "Private Label Product Packaging." The data is sourced from company packaging reports.

Resource outflows

TKM Group has only one production company - Kulinaaria OÜ. Kulinaaria is engaged in food production, making it unreasonable to assess product durability or reparability. However, Kulinaaria measures the proportion of recyclable materials in product packaging. Kulinaaria's data is consolidated with other retail companies in the table "Private Label Product Packaging."

The Group's supermarkets, department stores and beauty retail place carrier bags, single-use plastic utensils, and private label products on the market. For these products, the material composition is crucial to contributing to increased recycling rates of packaging waste.

Sales of Shopping Bags	2025 (thousand pcs)	%	2024 (thousand pcs)	%
Total bag sales	25,361	100%	27,681	100%
of which regular plastic bags	5,266	21%	6,679	24%
of which biodegradable plastic bags	62	0%	171	1%
of which paper bags	3,101	12%	3,625	13%
of which sales of reusable shopping bags	105	0%	98	0%
of which sales of reusable vegetable bags	1	0%	1	0%
of which distribution/sales of small plastic bags	16,825	66%	17,107	62%

Single-Use Plastic Tableware Placed on the Market	2024 (thousand pcs)	%	2024 (t)	%	2024 (thousand pcs)	%	2024 (t)	%
Total	**14,981**	**100%**	**212**	**100%**	**17,019**	**100%**	**227**	**100 %**
Drinking cups and lids*	**2,860**	**19%**	**66**	**31%**	**3,032**	**18%**	**74**	**33%**
of which drinking cups	2,241	78%	64	97%	2,429	80%	72	98%
of which cup lids	619	22%	2	3%	603	20%	2	2%
Food containers	**12,112**	**81%**	**145**	**68%**	**13,980**	**82%**	**152**	**67%**
Reusable alternatives	**9**	**0%**	**1**	**1%**	**7**	**0%**	**1**	**0%**

Private Label Product Packaging	2025 (t)	%	2024 (t)	%
Total packaging*	**389**	**100%**	**399**	**100%**
Recyclable packaging	256	66%	255	64%
Packaging made from recycled materials, e.g., rPET	111	28%	107	27%
Composite material packaging	22	6%	37	9%

**Includes private label products of Kaubamaja, Kulinaaria, Selver (Selveri Köök)*

A large share of the Group's waste is recycled, while 2% is directed to disposal. The Group's companies separately collect packaging waste such as different types of plastic film, paper and cardboard, biowaste, etc. Most of the municipal waste is either recycled or used for energy. Hazardous waste includes, for example, tyres, oil-contaminated materials, batteries, and other waste generated in the automotive segment. In 2024, several automotive segment waste types were classified as hazardous; however, in 2025, more precise classification has been applied, and they are now considered non-hazardous. In 2025, an "undefined treatment" category was introduced, as it provides a more accurate picture than redistributing the undefined volumes across waste types.

Waste Generation of the Group, 2025	2025 (t)	%	2024 (t)	%
Total waste	**7,347**	**100%**	**7,789**	**100%**
Total amount by weight diverted from disposal	**6,828**	**93%**	**7,498**	**96%**
Non-hazardous waste	**6,742**	**92%**	**7,491**	**96%**
Preparation for reuse	2,421	33%	0	0%
Recycling	4,321	59%	4,982	67%
Other disposal operations	0	0%	2,509	33%
Hazardous waste	**86**	**1%**	**7**	**0%**
Preparation for reuse	29	0%	0	0%
Recycling	58	1%	7	100%
Other disposal operations	0	0%	0	0%
Total amount by weight directed from disposal	**119**	**2%**	**291**	**4%**
Non-hazardous waste	**119**	**2%**	**0**	**0%**
Incineration	0	0%	0	0%
Landfill	119	2%	0	0%
Other disposal operations	0	0%	0	0%
Hazardous waste	**0**	**0%**	**291**	**100%**
Incineration	0	0%	78	26%
Landfill	0	0%	213	74%
Other disposal operations	0	0%	0	0%
Total amount and percentage of non-recycled waste	**119**	**2%**	**2,807**	**36%**
Quantity of waste with undefined treatment method by mass	**399**	**5%**	**0**	**0%**

The data is consolidated based on input from subsidiaries and does not include obligations transferred to the producer responsibility organization.

Anticipated financial effects from resource use and circular economy-related risks and opportunities

The expected financial impact of €59,750 arises from pollution charges, including those related to packaging, products, and waste. This is considered a residual risk that remains after mitigation. The impact is assessed as low, but it is a long-term risk, with no anticipated materialization in the short or medium term. The expected financial impact of the opportunity is not disclosed due to the information not meeting qualitative disclosure criteria.

Social Information

ESRS S1 Own Workforce

Material impacts, risks, and opportunities and their relation to strategy and business model

ESRS		Positive impact	Negative Impact	Risks	Opportunities
S1	**Own workforce**	Job creation.	Work-related injuries.	Risk of shortage of skilled labour.	To promote innovation to reduce workload.
		Providing development opportunities.	Work-related health deterioration.		To enhance attractiveness as an employer.
		Promoting work-life balance.	Gender pay gap.		To diversify the workforce.
		Promoting health and safety.		.	To offer at least the sector median salary.

A positive social impact of TKM Group is its role as a large employer. Considering that Selver AS operates in various regions of Estonia, the company creates jobs in every Estonian county, being the largest employer within the Group with 2,900 employees. The Group's second-largest employer is Viking Security AS, which operates across Estonia and employs 606 people. In the years 2024 and 2025 Kaubamaja was recognized with the Top Employer badge, highlighting that the company fosters a positive organizational culture that supports cooperation, innovation, and employee well-being. The Top Employer badge is awarded by Estonia's largest job portal, cv.ee, which conducts an annual survey allowing people to vote for the company they would most like to work for. Kaubamaja has also repeatedly received the Family-Friendly Employer label issued by the Ministry of Social Affairs, affirming that the organization values the well-being of its employees and strives to enable them to balance work and family life. Kaubamaja joined the Diversity Charter issued by the Estonian Human Rights Centre in 2012, followed by Selver in 2013, thereby ensuring employee inclusion regardless of gender or background.

The Group offers its employees various self-development and career advancement opportunities both within the companies and between subsidiaries (internal and external training, individual growth programs, etc.). The Group's companies operate in different segments, and employees seeking new challenges do not have to look outside the Group but can transition to another subsidiary. Internal rotation opportunities are highly valued as they ensure long-term relationships with employees who understand the Group's specificities and dynamics while also allowing employees to contribute to entirely new fields within a familiar environment.

Occupational health and wellness initiatives are important for both efficiency and employee satisfaction, as well as for maintaining competitiveness in the labour market. In addition to ensuring general occupational safety and health, which includes regular medical check-ups, annual flu vaccinations, and the provision of protective work equipment, employees can also enhance their well-being through activities offered by the Sports Club MTÜ. Depending on the subsidiary, employees can participate in step challenges, attend health-related lectures, and access discounted massage services.

The Group's companies also offer employment opportunities to people with special needs, considering their individual requirements.

A negative social impact includes workplace accidents, occupational diseases, and the gender pay gap. The nature and severity of workplace accidents vary by segment. For example, in security services, the risk of serious injury is higher due to the potential escalation of conflicts, but this risk is mitigated through continuous employee training and high-quality work equipment. Viking Security provides its employees with additional health insurance, covering incidents that occur outside of work as well, offering greater security for dealing with health-related issues. In retail, which employs the most staff, most workplace accidents and occupational illnesses occur in this segment. Most workplace accidents result from distractions leading to slips and falls, while service counter workers more frequently suffer cuts from knives or slicers due to rushing. Less commonly, injuries result from lifting heavy objects improperly. Occupational diseases are primarily caused by prolonged static postures and repetitive movements. To ensure workplace safety, the Group adheres to legal requirements, including thorough employee training on proper work techniques and postures, regular health check-ups, and compliance with work and rest time regulations.

The Group operates across multiple business segments with significantly different wage levels and gender compositions. In the automotive trade segment, average remuneration is higher than in retail due to the specific nature of the activity and market conditions, while gender distribution varies substantially between segments. As a result, the pay gap persists even where the principle of equal pay for equal work is applied across companies and positions. At the Group level, this is primarily reflected in lower average income for female employees compared to male employees. This outcome is mainly driven by structural and mathematical effects arising from the disproportionate representation of women and men in lower- and higher-paying segments, rather than from direct differences in pay practices for comparable roles.

The main risk is competition in the labour market, where demand may exceed supply, and a lack of skilled employees can negatively impact business success. Special attention is given to the retail and security service segments, which require a large workforce for operations. A lack of skilled labour may result in an increased workload for existing employees, leading to fatigue, burnout, or management errors, which, in turn, increase workplace accidents and occupational illnesses.

One opportunity the Group sees is the automation of processes, which reduces employee workload while increasing efficiency and work quality. Another significant aspect is standing out in the labour market as an employer that prioritizes sustainability-related topics. Although the Group's workforce already represents a cross-section of society, there is potential to further include those who might otherwise be excluded from the labour market, such as people with disabilities or the elderly. The Group does not base its pay on the minimum wage but aims to offer its employees at least the sector median salary.

The Group's sustainable development strategy 2030 includes two key workforce-related focus areas:

1. Supporting equal opportunities for men and women and fostering a diverse workforce.
2. Ensuring employee well-being and providing development opportunities.

Happy employees are one of the Group's greatest assets. The Group's business activities are labour-intensive, making it essential to retain employees and maintain attractiveness in the labour market. Store closures impact the workforce through job losses, while new store openings create new job opportunities. The goal is to offer employees competitive salaries, health-supporting working conditions, and development opportunities while maintaining open communication and considering employee preferences. To understand employee perspectives, satisfaction surveys are conducted, and based on the results, the company assesses whether adjustments to its strategy and goals are necessary. The protection of human rights in Estonia and the EU is based on a strong legal framework that includes international treaties, laws, and other regulations, as well as national institutions. The Group ensures that its business strategy and objectives do not conflict with these.

Policies related to own workforce and risk management related to own workforce

TKM Group has implemented measures and policies aimed at protecting, supporting, and developing its workforce. The Group also seeks to prevent negative impacts and risks by applying a comprehensive Code of Ethics, occupational safety guidelines, and employee satisfaction surveys.

Since 2017, TKM Group has applied a Group-wide Code of Good Business Conduct (HÄT), developed based on national and international guidelines and principles, including the Financial Supervision Authority's Corporate Governance Recommendations, OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and ILO standards. HÄT reflects the values and goals of TKM Group in ensuring an ethical, transparent, and sustainable business environment. It is mandatory for the entire TKM Group as well as its cooperation partners and is generally a compulsory element in all external agreements. The HÄT is publicly available on the websites of TKM Group and all subsidiaries. The HÄT addresses issues such as human trafficking, forced or compulsory labour, and child labour in line with international regulations. As a cornerstone of social responsibility, both the HÄT and internal employment-related guidelines, work procedures, and recruitment policies emphasize a prohibition of discrimination. The Group particularly highlights the critical role of company leadership in ensuring that every employee feels happy and accepted just as they are. The HÄT states that both the Group and its partners treat all individuals equally and uphold internationally recognized human rights. No group or individual is discriminated against on any grounds, including gender, age, race, sexual orientation, nationality, ethnic origin, disability, political views, union membership, or religious beliefs. The Group and its partners fully support employees' personal and professional development by ensuring working conditions comply with local legislation and providing a safe and healthy work environment.

Workplace accidents are registered in the national Work Life Information System (TEIS). To prevent workplace accidents, the Group has established Work Organization Rules, which include the following provisions:

- To prevent workplace accidents and safeguard employees' health, the employer ensures safe and healthy working conditions in accordance with occupational health and safety regulations.
- Familiarization with and adherence to general occupational health, safety, and fire safety requirements upon starting work is mandatory for all employees, regardless of their profession, qualifications, or position.
- Upon employment, the worker undergoes an introductory occupational health and safety training session conducted by the employer.

The employers within TKM Group, Selver AS and Kaubamaja AS, joined the Diversity Charter initiated by the Estonian Human Rights Centre. They have also received the "Respecting Differences" label multiple times, recognizing their continuous efforts in fostering a diverse and inclusive work environment. To acknowledge and celebrate the uniqueness of every employee, Kaubamaja designated May as Diversity Month, during which employees participate in training sessions, workshops, cultural cafés featuring international cuisines, and tasting competitions.

At Kaubamaja and Selver, personnel and well-being specialists work with management to oversee employee-related activities, including development programs, training needs, and organizing further education. They also assess the work environment through satisfaction surveys and propose improvements. HR specialists are the first point of contact for employee concerns.

TKM Group has established a risk management framework, which includes assessing workforce-related impacts and dependencies as part of operational risk management. Key workforce-related risks include loss of skilled workforce, particularly at the executive level, high employee turnover, and general dissatisfaction among employees. To mitigate these risks, the company conducts regular satisfaction surveys. Depending on the company, individual development discussions are held once or twice a year with employees. Employees are encouraged to bring up concerns with HR staff, workplace safety representatives, direct supervisors, or, if necessary, via the Group-wide confidential whistleblowing hotline.

To enhance positive workplace experiences, the Group has developed bonus and performance-based pay systems, individual career development programs, additional training opportunities, company-wide traditions, such as Christmas parties, summer retreats, team lunches, etc. While work-life balance is legally protected, the Group also actively supports employees and their families through family-oriented events, "Bring Your Child to Work" days, Christmas gifts for employees' children, flexible work schedules and manageable workloads.

TKM Group has not identified any negative effects on its workforce due to the transition toward a more sustainable and climate-neutral economy.

When making strategic decisions, the Group considers workforce dynamics and labour market trends. For example, employee feedback analysis helps improve management processes and working conditions. Investments in occupational safety and protective measures have reduced workplace accidents and increased employee satisfaction.

Processes for engaging with own workforce and workers' representatives about impacts

TKM Group's companies have work environment specialists and representatives elected by employees, serving as primary contacts for ensuring a safe workplace. Together with the representatives, regular risk assessments are carried out, allowing employees to contribute to shaping their work environment. The process follows the Group's internal guidelines on selecting and organizing the work of work environment representatives.

In 2024, employee satisfaction surveys regarding the work environment were conducted in collaboration with Estonian Palgainfo Agentuur across several companies within the Group, including TKM Group AS, Kaubamaja AS, TKM Kinnisvara AS and TKM Kinnisvara Tartu OÜ, TKM Beauty OÜ and TKM Beauty Eesti OÜ, Viking Security AS. Key Findings show that 50% of employees reported that they were "somewhat satisfied" with their jobs, while 31% stated they were "completely satisfied." Employees expressed the highest satisfaction with their relationships with direct managers and colleagues. Areas for improvement are career advancement opportunities within the company, salary-related concerns, improving internal communication to ensure employees are well-informed about company developments. Workload satisfaction has improved compared to previous years. Employees whose positions allow it are highly satisfied with remote work options and flexibility. Work-life balance is highly valued, with employees appreciating a work structure that allows sufficient time for rest, hobbies, and family life.

The survey results have been shared with company leadership, where they serve as valuable input for improving workplace conditions, motivation, and overall management culture. The results were thoroughly analysed, and action plans were established for the coming years. Employees were informed about the findings during departmental, unit, and team meetings.

Selver AS conducted its own satisfaction survey separately in 2024 in collaboration with Kantar Emor. The goal was to assess employee commitment, satisfaction with key motivational factors, and gather feedback on company changes implemented over the past year. The survey covered both stores and units, with an impressively high participation rate of 74%, indicating strong trust in both the survey process and upper management. Employees view Selver as a developing and innovative company with clear and understandable goals. The survey highlighted high-quality leadership, a positive work atmosphere, fair treatment, and a strong sense of security. Areas for improvement included enhancing internal communication, increasing opportunities for personal and career development, ensuring fairer recognition and compensation for performance, strengthening work-life balance initiatives.

Processes to remediate negative impacts and channels for own workforce to raise concerns

In addition to HR and workplace well-being specialists and workplace safety representatives, TKM Group is developing internal regulations and established communication channels that allow employees to confidentially report workplace misconduct, conflicts, or other work-related concerns. Employees can submit reports via email or phone. These reporting channels are managed by TKM Group's internal audit department, which ensures independent investigation of reported issues and safeguards employees' rights.

All relevant contacts for these representatives and committees have been shared with employees through intranet platforms and email. Where possible, the information has also been posted on notice boards in break rooms.

TKM Group's confidential whistleblowing hotline was launched in spring 2023, but according to the internal audit department, only a few reports have been made. Employees tend to prefer approaching HR personnel or their direct supervisors when facing concerns, which further confirms the 2024 employee satisfaction survey results regarding positive workplace relationships. The effectiveness of different reporting channels or mechanisms has not yet been separately evaluated by the Group.

Metrics

Employee objectives and actions of the Group are set out in TKM Group's Sustainable Development Strategy 2030.

	2025	2024
Total number of employees converted to full-time equivalents	**4,743**	**4,769**
of which Women	3,290	3,344
of which Men	1,453	1,425

Total number of employees by country converted to full-time equivalents	**4,743**	**4,769**
of which Estonia	4,573	4,613
of which Latvia	112	109
of which Lithuania	58	47

Information on Employee by Contract Type, by gender*	**2025**	**2024**
Number of permanent employees	**4,673**	**4,709**
of which Women	3,248	3,305
of which Men	1,425	1,404
Number of temporary employees	**70**	**60**
of which Women	43	38
of which Men	27	22
Number of non-guaranteed hours employees	**0**	**0**
of which Women	0	0
of which Men	0	0
Total	**4,743**	**4,769**

Information on Employee by workload, by gender*	**2025**	**2024**
Number of full-time employees	**3,846**	**3,890**
of which Women	2,653	2,693
of which Men	1,193	1,197
Number of part-time employees	**897**	**879**
of which Women	637	650
of which Men	260	229
Total	**4,743**	**4,769**

* the data is presented as 2025 average, adjusted to full-time equivalent (FTE)

"Person employed under an employment contract" figure disclosed in the financial statements (p. 125) corresponds to the total number of employees reported in the consolidated sustainability report.

In 2025, a total of 1,418 employees (2024: 1,486) left the Group, resulting in an employee turnover rate of 20% (2024: 21%). Employee turnover calculation includes the total number of all the employees.

Characteristics of non-employees in the undertaking's own workforce

The total number of non-salaried workers at TKM Group during the reporting period was 932 (2024: 867), included in the overall employee count. These workers are engaged under service contracts. Their share is highest in the Kaubamaja and Security segments, where staffing needs fluctuate—for example, Kaubamaja uses service contracts during campaigns to bring in temporary workers, and Viking Security does so for inventories. Contracts are concluded either directly or via the GoWorkaBit platform, which offers short-term job opportunities that individuals can select based on their preferences. TKM Group companies do not use agency workers or self-employed contractors.

Collective bargaining coverage and social dialogue

The proportion of salaried employees covered by a collective agreement is 11% (2024: 12%). Within the European Economic Area, there is one collective agreement, which applies to the Estonian company Kaubamaja AS. Outside the European Economic Area, there are no collective agreements.

The collective agreement applicable to employees of TKM Group AS and Kaubamaja AS (Tallinna Kaubamaja Trade Union) has been in force for an indefinite period since 2012, following the legal division of the companies. The agreement regulates employee benefits, procedures for information exchange, and the training and working conditions of trade union members. The Group has no data on how actively union members have participated in social dialogue within the European Economic Area. According to Estonian law, trade union members remain anonymous, and the employer is informed only about the trustees. The Tallinna Kaubamaja Trade Union is a member of the Estonian Service and Commerce Workers' Trade Union.

Diversity metrics

Women make up 26% of TKM Group's top management, with 7 women and 19 men (2024: 29%, 7 women and 17 men). Top management refers to members of the management boards of TKM Group and its subsidiaries.

	2025	2024
Distribution of employees by age group*	4,743	4,769
Under 30 years old	766	713
30–50 years old	1,631	1,686
Over 50 years old	2,347	2,370

* the data is presented as 2025 average, adjusted to full-time equivalent (FTE)

Adequate wages

All TKM Group employees receive adequate compensation in accordance with EU Directive (EU) 2022/2041 on adequate minimum wages. In its Sustainability Strategy 2030, the Group has set the goal of paying all employees at least the sector median wage. A consolidated segment-by-segment review for 2026 will be conducted to assess progress toward this goal.

Social protection

All TKM Group employees are covered by national programs for income loss protection in case of illness, unemployment that begins while employed by the company, acquired disability or work-related injury, parental leave, and retirement.

Persons with disabilities

Based on the legal prohibition against asking employees about their disability status, the quality of data depends on whether an individual has voluntarily informed the employer about their disability. As a result, TKM Group is unable to present reliable and comparable data for 2025 with sufficient assurance, nor comparable data for 2024.

Training and skills development metrics

TKM Group does not have a unified, group-wide system for collecting data on employee participation in development discussions and establishing such a system is not considered reasonable at the Group level. Practices and solutions for conducting development discussions are managed at the subsidiary level, based on company size and operational specifics. In smaller subsidiaries, development discussions are not held. Training hours are tracked annually. The Group's Sustainability Strategy 2030 sets a target of providing employees with an average of at least 8 training hours per person per year.

Employee training hours in total and by gender distribution

Training hours include paid events that have an accounting record. Free training sessions, conference participation, and information days have not been recorded. However, the Group aims to enhance its data collection system in 2025 to include all training activities. Whether such a system can be implemented with reasonable effort will be determined during 2025. A training hour is defined as a full hour, i.e., 60 minutes. The Group's goal is to maintain the level achieved in 2024 – 8.6 training hours per employee per year.

The average number of training hours per employee and by gender	2025	2024
Total training hours (h)	9.8	8.7
of which women	9.6	7.8
of which men	9.9	10.6

Health and safety metrics

100% (2024: 100%) of TKM Group employees are covered by the health and safety management system, meaning they have been designated as first aid responders, workplace safety representatives, or occupational safety specialists. There have been no fatalities resulting from work-related injuries or occupational illnesses in the Group. During the reporting period, there were 27 (2024: 38) registered workplace accidents, leading to a total loss of 817 calendar days (2024: 549). The number of lost workdays has been calculated based on incapacity and sick leave records. The work-related injury rate was 3.2 (2024: 4.3). To calculate the work-related injury rate, the Group divided the number of occupational accident cases by the total number of hours worked by its workforce and multiplied the result by 1,000,000, expressing the number of work-related injuries per 500 full-time equivalent employees over a one-year period.

Work-Life Balance Metrics

All salaried employees of TKM Group are entitled to parental leave in accordance with the social policies and labour laws of all the countries in which the Group operates.

Remuneration metrics (pay gap and total remuneration)

The gender pay gap, defined as the difference between the average remuneration levels of female and male employees and expressed as a percentage of the average remuneration of male employees, is 20% (2024: 24%). In the Group's supermarket and department store segment, which employs approximately 80% of the Group's workforce, the pay gap was 0% during the reporting period, indicating that uniform remuneration principles are applied for comparable roles. In the remaining companies, employing approximately 20% of the Group's workforce, the average pay gap is in favour of female employees. However, due to the different representation of women and men across segments—particularly in higher-paid areas—the Group's overall indicator is mathematically unfavourable to women.

The ratio of the highest-paid individual's annual total compensation to the annual median compensation of all employees (excluding the highest-paid employee) is 18 (2024: 18).

Incidents, complaints and severe human rights impacts

In 2025, 7 notifications were received via the Whistleblowing Channel. No cases of discrimination were identified during the year.

ESRS S4 Consumers and End-Users

Material impacts, risks, and opportunities and their connection to strategy and business model

ESRS		Positive impact	Potential Negative Impact	Risks	Opportunities
S4	**Consumers and end-users**	Charity and sponsorship.	Failure to ensure product safety.	Reputational risk resulting from harm caused to the health of customers/end-users.	To attract customers by increasing positive impact in the industry and maintaining credibility.
		Courier services.	Risk of GDPR non-compliance.	Risk of providing a service to a person whose financial situation does not allow it, potentially causing losses to the company and worsening the customer's financial condition.	
		Health-promoting products.			
		Fair marketing practices and communication.			
		Providing flexible payment solutions (Partner Kuukaart and interest-free instalment payments).			

Positive impact is TKM Group´s contribution to charity and sponsorship projects. In 2025, charity and sponsorship projects accounted for 1,5% of the profit (€374,249) (2024: 2%, €576,479). Customers expect the Group to be socially responsible and to invest in community well-being. Through charitable initiatives, the Group supports vulnerable groups in society and enhances the customer experience, creating additional value for clients. The company adheres to transparency by informing customers about how their purchases contribute to social projects.

Selver's courier service offers convenience and time savings, allowing people to order groceries and household goods to their homes. This service is especially beneficial for the elderly and people with mobility difficulties, providing them with greater independence and reducing the need for in-store shopping.

Kulinaaria produces health-promoting products, focusing on high-quality ingredients, reduced salt and sugar content, and balanced nutritional composition.

TKM Group follows principles of fair marketing, avoiding misleading advertisements and providing customers with well-structured and accurate information about its products and services. Clear communication fosters trust between the company and consumers, respecting their right to truthful information.

Offering flexible payment solutions (Partner monthly card and interest-free instalment payments) enables those who may not have immediate financial flexibility to purchase high-quality and durable products from Kaubamaja. The consumer-oriented flexible instalment solution allows customers to buy clothing, footwear, jewellery, cosmetics, and home appliances from Kaubamaja in three or six equal monthly payments without any additional fees.

The potential negative impact is primarily related to trade, specifically products introduced to the market without awareness of possible negative effects at the time of release. The Partner Card has over 750,000 customers, which represents a significant responsibility for a single company. TKM Group takes data security very seriously, and any data breach would have a major impact. The Group aims to provide customers with products that meet the highest safety and quality standards and pose no risk to their health. TKM Group is obligated to ensure that all marketed products comply with EU and international safety standards. Regular product testing and quality control uphold consumers' right to safe and high-quality goods.

The main risks for the Group include personal data leaks or the introduction of a hazardous product to the market, both of which could lead to reputational damage. As a company with a high level of public interest, TKM Group understands that a data breach or safety violation would cause immediate harm to its reputation, which in turn could affect turnover and potentially result in fines. Consumers expect fast and reliable delivery services as well as protection of their personal data in compliance with GDPR requirements. Customer data protection is a fundamental aspect of corporate responsibility, directly linked to consumers' right to privacy. TKM Group ensures that its courier partners comply with data protection regulations and implements technical measures to process data securely. Regarding the Group's financial services offerings, there is a risk that services may be extended to individuals whose financial situation does not support them, potentially leading to financial losses for the company and worsening the customer's economic condition. To mitigate this risk, TKM Finants adheres to all Financial Supervision Authority regulations and actively works to minimize such risks.

There is an opportunity to attract customers by increasing positive impact and enhancing trust. Improving the customer experience through health-supporting products and transparent communication boosts customer satisfaction and loyalty. Charitable initiatives and social contributions strengthen TKM Group's reputation as a responsible company. Avoiding product safety risks protects the company's reputation and ensures sustained consumer trust.

TKM Group's consumers and end-users represent a wide range of customer segments, stemming from the Group's diverse business model. These include both private individuals and business clients. In the retail segment, chains like Selver, Kaubamaja, and I.L.U. cater mainly to private consumers—families purchasing daily groceries and essentials at Selver, as well as those interested in fashion, beauty, and premium products from Kaubamaja and I.L.U. E-commerce channels, such as the Selver online store, attract customers who value convenience, speed, and home delivery options. TKM Group is engaged in the sale and servicing of KIA vehicles. Its customers and end users are private individuals seeking reliable, high-quality vehicles, as well as companies that purchase vehicles for business use. The real estate segment focuses on business clients and tenants operating within the Group's commercial properties in Estonia and, to a smaller extent, across the Baltics. The most impacted consumer groups include families with children and those with lower awareness of product safety and rights, who may be more vulnerable to risks related to marketing practices, transparency, and data privacy in online environments.

Policies related to consumers and end-users

TKM Group operates in accordance with the Good Corporate Governance Code of the Financial Supervision Authority, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. The Group implements Code of Conduct, which serves as a key tool for fulfilling its duty of care towards both consumers and end users. In 2025, no instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were identified within the Group (2024: 0).

Processes for engaging with consumers and end-users about impacts, processes to remediate negative impacts and channels for consumers and end-users to raise concerns

There is no general process for engaging with consumers and/or end users on impacts, as each subsidiary has its own processes for consumer and end-user interactions. The approach to remedying negative impacts depends on the specific case and the legal rights and obligations established by national regulations.

Consumers and end users can contact the respective subsidiary directly through in-person visits to physical stores or via the email addresses available on the subsidiary's website. Users of the Group's customer loyalty program, Partner Card, have the option to provide feedback, raise issues, or share positive experiences via the feedback form in the Partner app. In larger subsidiaries, customer service departments follow detailed guidelines for handling consumer inquiries, including response deadlines and the designated personnel involved in resolving the issue.

When a concern is directed to TKM Group, the Group's legal department first reviews the inquiry and then forwards it to the relevant department based on the subject matter. If a consumer or end user feels that their rights have not been adequately protected, they have the legal right to escalate the issue to the relevant national authority.

The Group operates an CoC violation reporting channel, which includes a whistleblowing hotline under the Group's management. Further details about the whistleblowing channel can be found in the Consolidated Sustainability Statement on page 35.

TKM Group and its subsidiaries offer various channels for consumers and end-users to report issues and needs, including a whistleblowing line, physical stores, websites, and the Partner Card app. Customer service staff follow established guidelines for handling inquiries, ensuring that consumer rights are respected and issues are resolved in accordance with legal requirements. The Group does not have a unified system for assessing consumer awareness of these reporting options.

Taking actions on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Group exercises strong control and responsibility over the impacts and safety of its private label products. The Group's food production company, Kulinaaria, is the largest producer of Selver's private label items. To ensure product safety, both Kulinaaria and Selver have incorporated the following requirements into their procurement processes:

- Identifying manufacturers with the capability to produce products suitable for the Group's companies.
- Analysing risks related to the location of product manufacturing, including the raw materials used.
- Verifying that manufacturers have the necessary certifications and compliance with regulations.
- Establishing procurement contracts that define specific requirements for both the products and raw materials.

The quality and safety of the Group's private-label products are subject to continuous monitoring through control analyses and customer feedback. Products already in the selection are tested according to an annual risk control plan. For example, meat and fish products are tested multiple times per year, while non-food items are tested less frequently. When possible, production facilities are visited to review manufacturing conditions and discuss expectations with suppliers.

The Group ensures that supplier-agreed alarm systems and actions to halt the delivery of damaged products or initiate rapid recalls before products reach the market are effective and operational. Additionally, the Group's retail food departments implement daily monitoring measures to ensure product freshness and quality. If a product is found to be damaged for any reason, it is immediately removed from sale.

TKM Group's goal is to ensure the protection of personal data for its customers, shareholders, and employees, as well as compliance with applicable regulations. The Group employs appropriate technical and organizational measures for the collection, use, storage, and deletion of personal data, ensuring continuous lawful and secure processing throughout the data lifecycle. A Group-wide data protection guideline sets the primary directions for subsidiaries. Each subsidiary is generally responsible for data processing within its business activities, establishing processing objectives and ensuring compliance with data protection requirements. A Group-wide data protection officer regularly informs and advises the Group and its subsidiaries on their rights and obligations under data protection laws, coordinates data processing agreements, and organizes regular data protection training for employees. The data protection officer is also the primary contact point for handling data breaches, coordinating internal investigations, determining facts, and notifying supervisory authorities and data subjects if necessary. The Group's internal audit department conducts annual audits to verify compliance with the data protection guidelines and legal requirements.

In 2025, no serious consumer or end-user-related human rights issues or incidents were reported to the Group (2024: 0). The Group considers its measures for managing significant impacts to be effective, as no major potential or actual negative impacts have materialized.

Remediation of significant negative impacts depends on the specific case, and no Group-wide policy exists in this area. Instead, subsidiaries regulate such issues independently, considering the characteristics of their respective segments.

The Group follows applicable legislation when selecting measures to address actual or potential negative impacts on consumers and end users. While the Group does not operate in an industry requiring extensive measures to mitigate negative impacts, collaboration with relevant stakeholders is necessary.

Consumer protection within the EU is ensured through a comprehensive legal framework aimed at safeguarding consumer rights and promoting their interests. The EU's consumer protection policy aims to ensure a high level of consumer protection, facilitate cross-border trade, and increase consumer confidence in the internal market. If a consumer or end user has a complaint regarding the Group's activities related to a significant negative impact and disagrees with the solution offered by the Group, they have the right to contact a consumer protection authority.

To manage significant negative impacts, TKM Group employs a data protection officer. The officer implements improvements to internal policies in response to regulatory changes and monitors compliance. Kulinaaria and Selver employ quality managers responsible for evaluating suppliers and training employees on various product safety and quality topics.

Metrics and targets

The Group monitors the number of recalled products annually to assess potential negative impacts on customers and end-users. The Group's goal is zero recalls of hazardous products among its own production and private label goods in retail and industrial companies.

	2025	2024		2025	2024
Number of Product Recall Cases, All Products, 2025	**69**	**149**	**Number of Cases of Recalled Products, Private Label Products, 2025**	**0**	**0**
of which before reaching the market	65	145	of which before reaching the market	0	0
of which recalls from customers	4	4	of which recalls from customers	0	0

Governance information

ESRS G1 Governance information

Material impacts, risks, and opportunities and their relation to strategy and business model

ESRS		Positive impact	Negative Impact	Risks	Opportunities
G1	**Business conduct**	Good payment practices.	Errors in conclusion of transactions.	Risk of losing market share due to changing stakeholder preferences.	To be an attractive business partner and achieve more favourable supply conditions.
		Transparent operations and proper business culture (including tax compliance and adherence to legislation).		Risk of legal violations and reputational damage due to lack of transparency in the value chain and inadequate anti-corruption and anti-money laundering procedures.	To increase collaboration with companies, universities, and startups that share similar values.
				Risk of non-compliance and financial losses due to changes in regulatory requirements.	
				Risk of cyberattacks, data breaches, and non-compliance with data protection regulations, including GDPR violations.	

A positive impact has been assessed in terms of good payment practices. Timely payments to suppliers and partners strengthen partnerships, ensuring supply chain stability and preventing disruptions. The Group's retail sector has a significant impact on small and medium-sized enterprises, providing them with a platform to sell their products through Selver and Kaubamaja, fostering their business growth. Transparent and responsible operations help maintain the company's reputation among stakeholders, customers, and regulatory bodies. Additionally, this supports long-term sustainable growth strategies and fosters a strong corporate culture, enhancing customer and employee loyalty. In 2025, TKM Group paid 99,581 thousand euros (2024: 93,465) in taxes, making it one of the largest taxpayers in Estonia.

A negative impact arises from errors in concluding transactions, which may lead to disputes or financial losses, directly affecting financial results.

Transaction risks, such as misrepresentation of data or unreliable business partners, can impact the Group's financial standing and supply chain efficiency. Limited access to and oversight of supply chain activities may result in non-compliance with the ethical business standards outlined in the Group's Code of Conduct. Strategically, the Group must invest in developing trustworthy partnerships and strengthening risk management processes.

The opportunity to be an attractive business partner and achieve more favourable supply terms can be realized through a strong reputation and responsible business conduct, enhancing the Group's appeal to business partners. Long-term collaborations help secure competitive advantages in the supply chain. Expanding cooperation with companies that share similar values, universities, and startups facilitates innovation and the adoption of new solutions, increasing the Group's competitiveness and supporting its strategic goal of promoting innovation and strengthening its market position.

Business conduct policies and corporate culture

Ethical business conduct is an integral part of TKM Group's business philosophy and a key success factor for the Group. By adhering to high ethical standards, profitable growth is promoted, stakeholder trust is earned, and fair competition and equal treatment are supported. TKM Group takes the implementation of responsible business principles in its daily operations very seriously.

The Group follows ethical principles in its operations and ensures that employees are familiar with these principles and adhere to them in their daily work:

- It acts responsibly, considering the impact of the Group's activities on the surrounding natural environment, public health, and quality of life, as well as alignment with the interests of various stakeholders.
- It values the natural environment in which it operates, uses resources sustainably, and continuously seeks new solutions for more efficient consumption.
- It respects human rights and ensures their fulfilment within the Group and in all activities associated with the Group, including its supply chain.
- It combats corruption based on honest and transparent business practices.
- Ensures transparent processes through internal procedures, rules, and guidelines covering declaration of economic

interests, handling of inside information, securities transactions, investment management, procurement, recruitment, risk management, administration, and document handling.

- It creates value for shareholders and contributes to the economy.
- It makes a social contribution to society, offering opportunities and support to those in greater need.
- It strives to be a good neighbour in the community, supporting and encouraging activities related to environmental protection and a healthy lifestyle.

The goal is to develop an environmentally friendly, responsible, and sustainable approach in every activity, from the simplest daily tasks to larger investment projects.

Within TKM Group, administrative, management, and supervisory bodies play a crucial role in monitoring business conduct and ensuring compliance with both the Group's internal rules and legal and ethical standards. Their responsibilities and expertise are essential for ensuring that the company's business operations are carried out responsibly and sustainably. These bodies ensure that the Group's activities adhere to the principles of the Code of Conduct which is based on both international standards and local regulations. They oversee that the Group's and its subsidiaries' activities comply with business ethics, human rights, environmental, and social responsibility standards. The administrative and management bodies approve policies and procedures related to business conduct. They are responsible for assessing and mitigating business risks, including corruption, discrimination, product safety, and other business conduct-related risks. They also review reports submitted via the whistleblowing line regarding business conduct violations and take corrective actions if necessary.

TKM Group follows the Estonian Anti-Corruption Act, and since Estonia has joined the United Nations Convention Against Corruption and aligns its legislation accordingly, the Group does not have a separate anti-corruption policy nor sees a need to create one. However, the Group has specific policies addressing various aspects of corruption. For example, it has regulations for collecting financial interest and loyalty declarations from responsible employees, guidelines for preventing money laundering and terrorist financing, as well as managing international sanctions, procedures for mitigating and preventing conflicts of interest, and a whistleblowing policy.

Management of relationships with suppliers

TKM Group has established minimum procurement requirements that are mandatory for all employees and management board members of TKM Group AS and its subsidiaries. These rules are supported by internal procedures and guidelines, and compliance with procurement principles is monitored by the Group's Internal Audit Department. In cases where suppliers may gain access to the Group's data carriers or information systems containing personal data of employees or clients, a data protection assessment is carried out. This involves cooperation with the Group's Data Protection Officer to evaluate the supplier's technical and organizational measures for ensuring data protection, and their compatibility with the Group's internal standards—prior to declaring the winning bid. Managing supplier-related risks is the responsibility of the procurement lead, who must also evaluate the supplier's financial health, sustainability, market reputation, references or portfolio, and their capacity to handle the complexity and scale of the project (including staff adequacy).

To assess sustainability-related impacts in the supply chain, TKM Group's subsidiaries—Selver, Kulinaaria, Viking Security, Kia Auto, Kaubamaja, and Viking Motors—conducted evaluations of their key suppliers. This was done using the Esgrid platform, which enables structured collection and analysis of sustainability data while considering both general and company-specific requirements, as well as relevant EU standards. The assessment provided suppliers with feedback on their sustainability performance, including a comparison with sectoral averages in Europe, and gave recommendations for improvement. These steps support the Group's efforts to make more informed and responsible business decisions and promote long-term sustainability across the supply chain.

Prevention and detection of corruption and bribery

The Group defines corruption as the misuse of official power for personal gain and acknowledges that corruption endangers democracy and human rights, undermines good governance and social justice, weakens national competitiveness and economic development, threatens democratic institutions, and erodes the moral foundations of society.

The primary goal of the Group is the prevention of corruption, but significant attention is also given to monitoring activities. The key measures include avoiding conflicts of interest, ensuring transparency, and raising awareness within the Group.

The main forms of corruption that the Group focuses on preventing include:

- bribery and the giving or receiving of gratuities;
- abuse of official position and influence;
- conflicts of interest;
- nepotism;
- embezzlement; and

- trading or using privileged and insider information for private interests.

In combating corruption, the Group follows the following principles:

- During interactions with employees, the leaders of the Group's companies regularly emphasize that no form of corruption is acceptable within the Group and that it contradicts the Group's ethical values.
- If cases of corruption arise, the relevant information is forwarded to the police or the prosecutor's office.

The functions within the Group where the risk of corruption and bribery is the highest are related to the Group's supply chain, as it involves multiple transactions and interactions with external partners, including suppliers, subcontractors, and service providers. To ensure transparency, the Group has established procedures and guidelines covering the use of company vehicles, the declaration of economic interests, the handling of insider information, securities transactions, investment management, procurement procedures, personnel recruitment, risk management, document management, and administrative procedures.

The Group's internal audit department is responsible for monitoring compliance with transparency measures and regulations. To raise awareness, the Group conducts internal and external training sessions to increase awareness among board members, executives, and employees on corruption prevention and avoidance. These training sessions are conducted by the internal audit department as needed. Trainings are conducted by the Internal Audit Department as needed. No training sessions were held in 2024 or 2025.

To report cases of corruption or bribery, the Group has established a whistleblower line, and all complaints are handled by the Group's internal audit department.

TKM Finants, the Group's financial services company, has established a separate internal regulation on conflicts of interest. Its purpose is to set out procedures for preventing and mitigating potential conflicts of interest when providing services. When a potential conflict of interest is identified, TKM Finants management and employees follow the Group's whistleblowing procedure or report directly to the internal auditor. Upon receiving such information, the internal auditor must promptly investigate the circumstances and causes and prepare a report for TKM Finants' management body. If necessary—especially when the conflict cannot be resolved or involves the management body—the internal auditor also informs the supervisory authority. In 2025, the Group also introduced a Group-wide conflict of interest policy.

The retail companies Selver AS and Kaubamaja AS have established internal regulations governing the acceptance of material benefits from business partners.

During the reporting period, no cases of corruption or bribery occurred within TKM Group (2024: 0).

Political influence and lobbying activities

TKM Group and its subsidiaries have not made any political donations in any form during the reporting period. The Group primarily participates in policymaking through industry associations, where it contributes mainly to legislative matters and development plans related to the core business areas of its companies.

The Group's companies are members of the following industry associations and organizations:

- Estonian Traders Association (Kaubamaja AS, Selver AS, Tartu Kaubamaja Kinnisvara OÜ, TKM Beauty Eesti OÜ)
- SA Rohetiiger (TKM Group AS)
- Estonian E-Commerce Association (Kaubamaja AS, Selver AS, TKM Grupp AS)
- Estonian Security Companies Association (Viking Security AS)
- Estonian Defence and Aerospace Industry Association (Viking Security AS)
- GS1 Estonia MTÜ (Selver AS, TKM Beauty OÜ, TKM Beauty Eesti OÜ, TKM Grupp AS)
- IGDS (Kaubamaja AS)
- Estonian Chamber of Commerce and Industry (Selver AS, KIA Auto AS, Viking Motors AS, Kulinaaria OÜ)
- Estonian Employers' Confederation (TKM Grupp AS)
- Estonian Quality Association (Selver AS)
- Estonian Fishery Association (Kulinaaria OÜ)
- Association of Auto Dismantlers (KIA Auto AS)
- Estonian Association of Car Dealers and Service Companies (KIA Auto AS, Viking Motors AS)
- Latvian Authorized Automobile Dealers Association (Forum Auto SIA)
- Lithuanian Autoentrepreneurs Association (Motus Auto UAB. KIA Auto UAB)
- BNI Morbergs (Verte Auto SIA)

- NGO Rehviringlus (KIA Auto AS, Viking Motors AS)
- Association of Auto Body Shops (Viking Motors AS)
- Estonian Taxpayers Association (TKM Grupp AS)
- Estonian Clothing and Textile Association (TKM Grupp AS)
- Estonian Internal Auditors' Association (TKM Group AS)

The Group participates in policymaking primarily through industry associations. The most active involvement is through the Estonian Traders Association, aiming to protect retailers' interests in the legislative process, support business development, and promote good trading practices. In 2025, TKM Finants AS joined Finance Estonia, which represents the financial sector, to contribute to discussions on credit provider regulation, especially from the perspective of a smaller market player.

In 2025, TKM Group contributed via the Estonian Traders Association to feedback for the European Commission, focusing on cross-border cooperation against unfair trading practices and mandatory contract terms. The Group supported an approach that protects producers (including farmers) while maintaining flexibility and mutual trust between retailers and suppliers. Through the association, TKM Group also proposed postponing the implementation of the EUDR regulation, citing disproportionate administrative burden and underdeveloped IT systems. While supporting the goal of preventing deforestation, the Group emphasized the need for implementation requirements to be proportional and feasible for businesses.

TKM Finants provided input to Finance Estonia for a meeting with the EU Anti-Money Laundering Authority (AMLA), highlighting the need to maintain a risk-based approach for small credit providers in applying due diligence measures. It also emphasized that harmonization should not hinder digital innovation, particularly in the development of BNPL (Buy Now, Pay Later) services, and recommended a “soft landing” approach like the GDPR—focusing initially on guidance rather than sanctions.

The Group also engaged in dialogue with the Consumer Protection and Technical Regulatory Authority (TTJA) regarding the accessibility law and its applicability to self-service checkouts. The Group argued that retail companies are not obligated entities under the law and that TTJA has no mandate to enforce requirements for self-service equipment compliance. While stressing the importance of accessible and user-friendly stores, the Group maintained that responsibility for such devices lies with their manufacturers and distributors.

Neither TKM Grupp AS nor its subsidiaries are registered in the EU Transparency Register or any equivalent national transparency register.

None of the members of the Group’s administrative, management, and supervisory bodies have held a comparable position in public administration (including regulatory authorities) within two years prior to their appointment.

Payment practices

On average, it takes the Group’s subsidiaries 29 days (2024: 28) to settle an invoice, with 99% (2024: 98%) of payments following standard terms. To assess payments in accordance with standard terms, the Group conducted an analysis of payments made to key suppliers. In the calculation, TKM Group and its subsidiaries’ suppliers were ranked based on purchase invoice turnover. The sample for the analysis includes the 10 largest suppliers by turnover for each company that met the definition of SMEs (small and medium-sized enterprises). Internal transactions between Group companies were not included in the sample. There are no ongoing legal proceedings related to overdue payments.

Invoices are considered paid on time if they are settled on the first banking day following a due date that falls on a weekend or a public holiday.

The description of payment terms in days by supplier categories (segment suppliers) is as follows:

Real estate 14–21 days, supermarkets 14–60 days, beauty product trade 30 days, department stores 30–60 days, automotive trade 14–30 days, and security services 10–21 days.

Consolidated Sustainability Statement Annexes

Annex 1. The list of disclosure requirements fulfilled in the preparation of the Consolidated Sustainability Statement

No	Disclosure requirement	Sustainability Statement page
1	ESRS 2 GENERAL DISCLOSURES	33-42
2	BP-1 – General basis for preparation of sustainability statements	33
3	BP-2 – Disclosures in relation to specific circumstances	33-42
4	GOV-1 – The role of the administrative, management and supervisory bodies	34-36
5	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	34-36
6	GOV-3 – Integration of sustainability-related performance in incentive schemes	35
7	GOV-4 – Statement on due diligence	37
8	GOV-5– Risk management and internal controls over sustainability reporting	34-36
9	SBM-1 – Strategy, business model and value chain	36-38
10	SBM-2 – Interests and views of stakeholders	38
11	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	50, 58, 62, 68, 71
12	IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	39-42, 50, 58, 63, 68, 71
13	IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	39-42
14	MDR-P - Policies adopted to manage material sustainability matters	52, 58, 63, 69, 71
15	MDR-A - Actions and resources in relation to material sustainability matters	52, 58, 63, 69, 71
16	MDR-M - Metrics in relation to material sustainability matters	55, 60, 65-67, 70, 72, 73, 74
17	MDR-T - Tracking effectiveness of policies and actions through targets	52, 59, 65, 70
18	E1 CLIMATE CHANGE	50-57
19	E1-1 – Transition plan for climate change mitigation	50
20	E1-2 – Policies related to climate change mitigation and adaptation	52
21	E1-3 – Actions and resources in relation to climate change policies	52-57
22	E1-4 – Targets related to climate change mitigation and adaptation	52
23	E1-5 – Energy consumption and mix	54
24	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	55-57
25	E1-7– GHG removals and GHG mitigation projects financed through carbon credits	57
26	E1-8 – Internal carbon pricing	-
27	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	application of transitional provisions
28	E2 - POLLUTION	not significant
29	E2-1 – Policies related to pollution	not significant
30	E2-2 – Actions and resources related to pollution	not significant
31	E2-3 – Targets related to pollution	not significant
32	E2-4 – Pollution of air, water and soil	not significant
33	E2-5 – Substances of concern and substances of very high concern	not significant

No	Disclosure requirement	Sustainability Statement page
34	E2-6 – Anticipated financial effects from material pollution-related risks and opportunities	not significant
35	E3 WATER AND MARINE RESOURCES	not significant
36	E3-1 – Policies related to water and marine resources	not significant
37	E3-2 – Actions and resources related to water and marine resources	not significant
38	E3-3 – Targets related to water and marine resources	not significant
39	E3-4 – Water consumption	not significant
40	E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities	not significant
41	E4 BIODIVERSITY AND ECOSYSTEMS	not significant
42	E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	not significant
43	E4-2 – Policies related to biodiversity and ecosystems	not significant
44	E4-3 – Actions and resources related to biodiversity and ecosystems	not significant
45	E4-4 – Targets related to biodiversity and ecosystems	not significant
46	E4-5 – Impact metrics related to biodiversity and ecosystems change	not significant
47	E4-6 – Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	not significant
48	E5 RESOUCE USE AND CIRCULAR ECONOMY	58-61
49	E5-1 – Policies related to resource use and circular economy	58
50	E5-2 – Actions and resources related to resource use and circular economy	58
51	E5-3– Targets related to resource use and circular economy	59
52	E5-4 – Resource inflows	60
53	E5-5 – Resource outflows	60
54	E5-6 – Anticipated financial effects from material resource use and circular economy-related risks and opportunities	application of transitional provisions
55	S1 OWN WORKFORCE	62-67
56	S1-1 – Policies related to own workforce	63
57	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	64
58	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	64
59	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	64
60	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	65
61	S1-6 – Characteristics of the undertaking's employees	65
62	S1-7 – Characteristics of non-employees in the undertaking's own workforce	65
63	S1-8 – Collective bargaining coverage and social dialogue	65
64	S1-9 – Diversity metrics	66
65	S1-10 – Adequate wages	66
66	S1-11 – Social protection	66
67	S1-12 – Persons with disabilities	application of transitional provisions

No	Disclosure requirement	Sustainability Statement page
68	S1-13 – Training and skills development metrics	66
69	S1-14 – Health and safety metrics	application of transitional provisions
70	S1-15 – Work-life balance metrics	application of transitional provisions
71	S1-16 – Remuneration metrics (pay gap and total remuneration)	67
72	S1-17 – Incidents, complaints and severe human rights impacts	67
73	S2 WORKERS IN THE VALUE CHAIN	not significant
74	S2-1 – Policies related to value chain workers	not significant
75	S2-2 – Processes for engaging with value chain workers about impacts	not significant
76	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	not significant
77	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	not significant
78	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	not significant
79	S3 AFFECTED COMMUNITIES	not significant
80	S3-1 – Policies related to affected communities	not significant
81	S3-2 – Processes for engaging with affected communities about impacts	not significant
82	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	not significant
83	S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	not significant
84	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	not significant
85	S4 CONSUMERS AND END-USERS	68-70
86	S4-1 – Policies related to consumers and end-users	69
87	S4-2 – Processes for engaging with consumers and end-users about impacts	69
88	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	69
89	S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	69
90	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	70
91	G1 BUSINESS CONDUCT	71-74
92	G1-1 – Business conduct policies and corporate culture	71
93	G1-2 – Management of relationships with suppliers	72
94	G1-3 – Prevention and detection of corruption and bribery	72
95	G1–4 – Incidents of corruption or bribery	72-73
96	G1-5 – Political influence and lobbying activities	73
97	G1-6 – Payment practices	74

Annex 2. List of data points from cross-sectoral and topic-specific standards derived from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes, no)	Page in the Statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		yes	66
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		yes	33
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				yes	37
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		no	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		no	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		no	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		no	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	yes	50
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		yes	52

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes, no)	Page in the Statement
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		yes	56
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				yes	54
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				yes	54
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				yes	55
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8 (1)		yes	56
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		yes	56
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	yes	57
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		no	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes, no)	Page in the Statement
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			no	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			no	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		no	
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				no	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				no	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				no	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				no	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				no	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				no	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes, no)	Page in the Statement
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				no	
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				no	
1 ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				no	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				no	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				no	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				no	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				yes	61
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				yes	61
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				yes	63
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				yes	63
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				yes	63
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		yes	63
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				yes	63

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes, no)	Page in the Statement
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				yes	63
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				yes	64
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		yes	66
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				yes	66
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		yes	66
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				yes	66
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				yes	66
1 ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		yes	66
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				no	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				no	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				no	
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		no	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes, no)	Page in the Statement
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		no	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				no	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				no	
ESRS S3-1 nonrespect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		no	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				no	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				yes	69
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		yes	69
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				yes	69
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				yes	71
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				yes	35
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		yes	73
ESRS G1-4 Standards of anticorruption and antibribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				yes	72

Annex 3. Due Diligence table

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	„Strategy and business model", page 36
b) Engaging with affected stakeholders in all key steps of the due diligence	„Stakeholders", page 38
c) Identifying and assessing adverse impacts	„Double materiality (impacts, risks, and opportunities) assessment", page 39
d) Taking actions to address those adverse impacts	„Double materiality (impacts, risks, and opportunities) assessment", page 39
e) Tracking the effectiveness of these efforts and communicating	„Governance", page 34

Remuneration report

This remuneration report has been prepared in accordance with the remuneration policy of the Group, which is primarily based on the long-term objectives of the Group, taking into account the financial results of the company and the legitimate interests of investors and creditors, and can be found on the website of the Group at tkmgrupp.ee.

The purpose of the remuneration report is to provide a comprehensive and clear overview of the remuneration paid to managers in accordance with the remuneration policy. The remuneration report reflects information on salaries and other benefits paid to the Executive Board of the Group in 2025. The remuneration paid to the Executive Board of the Group individually, the total amount of remuneration, and other benefits are in accordance with the remuneration policy of the Group.

Remuneration of the Executive Board

In 2025, the Executive Board of the Group had one member.

The duties and remuneration of Raul Puusepp, member of the Executive Board, are further specified in the employment contract concluded with him, in which the Chairman of the Supervisory Board represented the Group. The term of office of Raul Puusepp, member of the Executive Board, was extended on 13 February 2026, and his term of office expires on 5 March 2029.

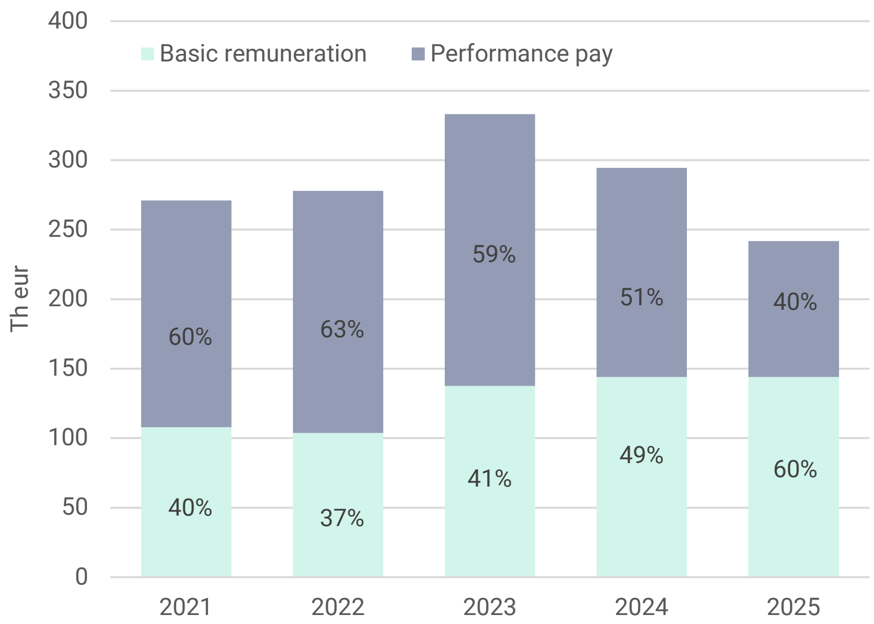
Remuneration of member of the Executive Board

In thousands, EUR	**2021**	**2022**	**2023**	**2024**	**2025**
Total remuneration	271.0	278.0	333.2	294.5	241.8
Incl. basic remuneration[1]	108.0	103.7	137.6	144.0	144.0
Incl. performance pay[2]	163.0	174.3	195.6	150.5	97.8

[1] Basic remuneration is calculated on an accrual basis as a gross remuneration.

[2] The performance pay reserve for 2025 has been calculated as the maximum possible gross salary and may differ from the actual pay-out. The assessment of the work and fulfilment of the objectives of the member of the Executive Board and the amount of the actual performance fee will be determined by the Supervisory Board of the Group after the approval of the annual report of the Group for 2025 by the general meeting.

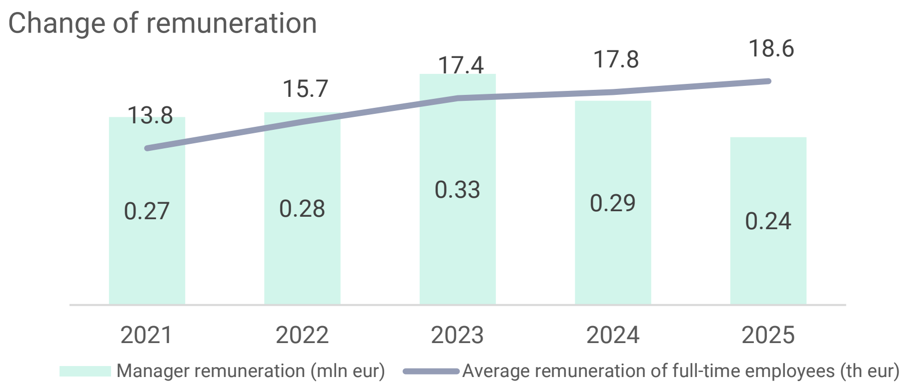
Proportion of the basic remuneration and performance pay of a member of the Executive Board



In accordance with the contract, the Chairman of the Executive Board is paid remuneration of a member of the Executive Board, and they have the opportunity to receive a performance pay once a year in accordance with the fulfilment of specific, comparable, and pre-determined financial performance targets of the Group for the previous year and compliance with long-term strategic objectives. The member of the Executive Board of the Group does not have any additional bonuses, discounts, shares received or offered, or stock options.

Annual change in the remuneration of member of the Executive Board, performance of the Group, and average remuneration of full-time employees of the Group:

	2020	2021	2022	2024	2025
Net profit growth	64.2%	-7.9%	26.9%	-26.6%	-36.2%
Increase in manager remuneration	21.7%	2.6%	19.9%	-11.6%	-17.9%
including an increase in basic remuneration[1]	6.8%	-4.0%	32.8%	4.6%	0.0%
including an increase in performance pay	34.2%	7.0%	12.2%	-23.0%	-35.0%
Increase in the average remuneration of full-time employees[2]	6.3%	13.8%	10.8%	2.5%	4.4%



1 The amount of the basic remuneration is affected by the adjustments to the remuneration of the member of the Executive Board upon the renewal of the contract and possible periods of illness.

2 The average remuneration of full-time employees is calculated by dividing the remuneration costs specified in Annex 22 'Labour costs', from which the remuneration of the member of the Executive Board is deducted, by the average number of full-time employees during the reporting period, excluding the member of the Executive Board.

The table below describes the principles of formation of the remuneration of member of the Executive Board, and the criteria for its application.

Remuneration element and summary of its implementation principles	Implementation in 2025
Basic remuneration	
• corresponds to at least the average remuneration paid to managers of companies belonging to the same economic sector • takes into account the competencies of the manager • sufficiently motivating to make the manager act in the best interests of the company	The basic remuneration of the manager was adjusted on 17 February 2023.
Performance pay	
• an element of financial performance that depends on the financial performance of the Group • an element of the strategy that depends on the fulfilment of the strategic goals of the Group previously agreed with the manager	It is estimated that the manager partially met the financial targets set for the Group for 2025 and the long-term strategic goals.
Additional benefits	
• additional benefits, including additional paid holiday, company car, telephone compensation, the right to read management magazines or other publications, membership of associations and unions for managers, training, etc.	The Group covered the company car and telephone expenses of the manager.
Stock options	
• the right to a stock option	Was not applied
Termination-of-contract compensation	
• termination-of-contract compensation equal to a maximum of 6 months' average remuneration of the manager	Was not applied

In addition to his role as a member of the Executive Board, Raul Puusepp participates in the work of the supervisory boards of several companies belonging to the Group, for which he received a total gross remuneration of 102.7 thousand euros in 2025.
During the reporting year, the Supervisory Board of the Group did not deviate from the remuneration principles when determining the performance pay. The Supervisory Board of the Group also did not use the option to recover previously determined performance pays.

Chairman's confirmation of and signature to the management report

The Chairman of the Management Board confirms that management report which consists of "Management report" and "Remuneration report" is an integral part of the annual report and gives a true and fair view of the key events occurred in the reporting period and their impact on the financial statements, contains a description of key risks and uncertainties and provides an overview of important transactions with the related parties.

Raul Puusepp
Chairman of the Management Board

signed digitally

Tallinn, 18 February 2026

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT BOARD'S CONFIRMATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Management Board confirms the correctness and completeness of TKM Grupp AS consolidated financial statements for the year 2025 as set out on pages 88-133.

The Chairman of the Management Board confirms that:

1. the accounting policies used in preparing the consolidated financial statements are in compliance with International Financial Reporting Standard as adopted in the European Union;
2. the consolidated 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

signed digitally

Tallinn, 18 February 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of euros

	Note	31.12.2025	31.12.2024
ASSETS			
Current assets			
Cash and cash equivalents	5	29,516	45,454
Trade and other receivables	6	23,628	30,310
Inventories	8	101,186	97,091
Total current assets		**154,330**	**172,855**
Non-current assets			
Long-term trade and other receivables	11	217	235
Investments in associates	10	1,860	1,733
Investment property	12	76,162	81,284
Property, plant and equipment	13	438,977	424,794
Intangible assets	14	26,429	25,785
Total non-current assets		**543,645**	**533,831**
TOTAL ASSETS		**697,975**	**706,686**
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	15	63,536	44,436
Trade and other payables	17	104,955	110,997
Total current liabilities		**168,491**	**155,433**
Non-current liabilities			
Borrowings	15	256,942	279,958
Trade and other payables	17	1,386	1,285
Deferred tax liabilities	18	6,893	7,939
Provisions for other liabilities and charges		510	543
Total non-current liabilities		**265,731**	**289,725**
TOTAL LIABILITIES		**434,222**	**445,158**
Equity			
Share capital	19	16,292	16,292
Statutory reserve capital		2,603	2,603
Revaluation reserve		120,630	112,167
Retained earnings		124,228	130,466
TOTAL EQUITY		**263,753**	**261,528**
TOTAL LIABILITIES AND EQUITY		**697,975**	**706,686**

The notes presented on pages 93-133 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in thousands of euros

	Note	2025	2024
Revenue	20	919,648	944,568
Other operating income		2,075	5,971
Cost of merchandise	8	-665,038	-684,797
Services expenses	21	-61,654	-61,503
Staff costs	22	-116,442	-112,241
Depreciation, amortisation and impairment losses	13,14	-42,495	-43,174
Other expenses		-1,172	-1,250
Operating profit		**34,922**	**47,574**
Finance income	23	451	514
Finance costs	23	-11,344	-12,889
Share of net profit of associates accounted for using the equity method	10	297	281
Profit before income tax		**24,326**	**35,480**
Income tax expense	18	-6,799	-8,003
Net profit for the financial year		**17,527**	**27,477**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Revaluation of land and buildings	13	11,172	0
Other comprehensive income for the financial year		**11,172**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**28,699**	**27,477**
Basic earnings per share (euros)	24	0.43	0.67
Diluted earnings per share (euros)	24	0.43	0.67

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

The notes presented on pages 93-133 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		17,527	27,477
Adjustments:			
Interest expense	23	11,344	12,889
Interest income	23	-451	-514
Income tax expense	18	6,799	8,003
Depreciation, amortisation and impairment losses	13,14	42,462	42,963
Loss/(gain) from fair value adjustment of investment property	12	-440	-2,429
Loss on write-off property, plant and equipment	13	33	211
Profit/loss on sale of property, plant and equipment	13	-90	229
Profit on sale of investment property	12	0	-2,107
Profit from the shares of an associated company using the equity method	10	-297	-281
Interest on lease liabilities	16	-5,782	-5,170
Corporate income tax paid		-100	-271
Change in inventories	8	-5,766	-879
Change in receivables and prepayments related to operating activities	6	6,700	-4,731
Change in liabilities and prepayments related to operating activities	17	-6,326	-2,326
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**65,613**	**73,064**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	13	-23,475	-34,063
Proceeds from sale of property, plant and equipment	13	904	2,435
Purchase of investment property	12	-569	-510
Proceeds from sale of investment property	12	5,080	10,532
Purchases of intangible assets	14	-1,475	-2,000
Dividends received	10	170	280
Interest received	23	451	514
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES		**-18,914**	**-22,812**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	15	18,165	38,153
Repayments of borrowings	15	-22,004	-22,313
Change in overdraft balance	15	-713	-2,564
Payments of principal or leases	15	-18,188	-17,754
Dividends paid	19	-26,473	-29,324
Income tax on dividends paid	18,19	-7,824	-5,312
Interest paid	23	-5,600	-7,748
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES		**-62,637**	**-46,862**
TOTAL CASH FLOWS		**-15,938**	**3,390**
Cash and cash equivalents at the beginning of the period	5	45,454	42,064
Cash and cash equivalents at the end of the period	5	29,516	45,454
Net change in cash and cash equivalents		**-15,938**	**3,390**

The notes presented on pages 93-133 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN 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	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 declared	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	17,527	17,527
Revaluation of land and buildings	0	0	11,172	0	11,172
Total comprehensive income for the reporting period	**0**	**0**	**11,172**	**17,527**	**28,699**
Reclassification of depreciation of revalued land and buildings	0	0	-2,709	2,709	0
Dividends declared	0	0	0	-26,474	-26,474
Total transactions with owners	**0**	**0**	**0**	**-26,474**	**-26,474**
Balance as of 31.12.2025	**16,292**	**2,603**	**120,630**	**124,228**	**263,753**

Additional information on share capital and changes in equity is provided in Note 19.

The notes presented on pages 93-133 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 General information

TKM Grupp AS (the Company) and its subsidiaries (together as the TKM Group or the Group) are entities engaged in retail trade and provision of related services. 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 (Note 28), the majority owner of which is NG Kapital OÜ. NG Kapital OÜ is an entity with ultimate control over TKM Grupp AS. There have been no changes in the Group's name or other identifying information compared to the end of the previous reporting period.

These consolidated financial statements have been authorised by the Management Board on 18th of February 2026 for issue. In accordance with the Commercial Code of the Republic of Estonia, the Annual Report shall be approved by the Company's Supervisory Board and approved by the General Meeting of Shareholders.

Note 2 Significant accounting policies adopted in the preparation of the financial statements

Bases of preparation

The consolidated financial statements of TKM Group for the year 2025 has been prepared in accordance with international financial reporting standards and the interpretations of the International Financial Reporting Standards Interpretation Committee, as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, except for land and buildings that have been revalued and are reported under the revaluation method as described in the respective accounting policies, as well as investment property, which is reported at fair value.

The presentation currency of TKM Group is euro. 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.

Adoption of New or Revised Standards and Interpretations

Changes in significant accounting policies

Except as described below, the accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024.

New Accounting Pronouncements

There are no new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 01.01.2025 that would be expected to have a material impact to the Group.

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 01 January 2026, and which the Group has not early adopted.

Annual Improvements to IFRS Accounting Standards

(effective for annual periods beginning on or after 1 January 2026)

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. To resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

The Group assesses that there is no material impact of application of the amendments to its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

(effective date to be determined, not yet adopted by the EU)

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;

- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The Group's management is engaged in impact assessment of application of the amendments to its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

(effective date to be determined, not yet adopted by the EU)

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;

- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Group's management is engaged in impact assessment of application of the amendments to its financial statements.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

(effective date to be determined, not yet adopted by the EU)

In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable. The Group assesses that there is no material impact of application of the amendments to its financial statements.

There are no other new or revised standards or interpretations that are not yet effective that would be expected to have a material impact on the Group.

Disclosures about the primary statements of the Parent

In accordance with the Accounting Act of Estonia, the separate primary statements of the consolidating entity (Parent) are to be disclosed in the notes to the consolidated financial statements. The Parent’s primary statements, disclosed in Note 30, have been prepared using the same accounting methods and measurement bases as those that have been used for preparing the consolidated financial statements except for investments into subsidiaries that are reported in the separate primary statements using the equity method.

Principles of consolidation

Associates

In the consolidated financial statements, investments in associated are carried using the equity method; under this method, the initial investment is adjusted with the investor´s share of profit/loss and other comprehensive income of the entity and the dividends collected.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Supervisory Board of the Parent that makes strategic decisions. Supervisory Board of the Parent meets at least once in a month.

Financial assets

Classification

The Group classifies its financial assets at initial recognition and measures subsequently assets at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

Impairment of financial assets

Impairment loss model is used for financial assets measured at amortised cost. Financial assets measured at amortised cost include receivables, cash and cash equivalents.

The Group measures loss allowances as follows:

- for trade receivables at an amount equal to lifetime expected credit losses (ECLs);
- for cash and cash equivalents that are determined to have low credit risk at the reporting date (the management considers ‘low credit risk’ to be an investment grade credit rating with at least one major rating agency) at an amount equal to 12-month ECLs;
- for all other financial assets at an amount of 12-month ECLs, if the credit risk (i.e. the risk of default occurring over the expected life of the financial asset) has not increased significantly since initial recognition; if the risk has increased significantly, the loss allowance is measured at an amount equal to lifetime ECLs.

Inventories

Inventories are initially recognised at cost which includes the purchase price, the related customs duties and other non-refundable taxes and costs of transportation directly attributable to the acquisition of inventories, less any discounts and volume rebates. The FIFO method is used to account for the cost of industrial goods inventories and the cost of food products. In the car trade segment, the cost of spare parts is recognised by means of the weighted average acquisition cost method and that of cars is recorded on individual cost basis. Inventories are measured in the balance sheet at the lower of acquisition/production cost and net realisable value. The net realisable value is the estimated sales price less estimated expenditures for completion and sale of the product.

Investment property

The property (land or a building) held by the Group for earning long-term rental yields or for capital appreciation, rather than using it in its own operations, is recorded as investment property. Investment property is initially recognised in the balance sheet at cost, including any directly attributable expenditure (e.g. notary fees, property transfer taxes, professional fees for legal services, and other transaction costs without which the transaction would have not taken place). Investment property is subsequently measured at fair value, based on the market price determined annually, based on the prices of recent transactions involving similar items (adjusting the estimate for the differences) or using the discounted cash flow method. Changes in fair value are recorded under profit or loss items “Other operating expenses”/“Other operating income”.

Investment property is derecognised on disposal or when the asset is withdrawn from use and no future economic benefits are expected. Gains or losses from the derecognition of investment property are included within other operating income or other operating expenses in the profit or loss in the period in which derecognition occurs. When the purpose of use of an investment property changes, the asset is reclassified in the balance sheet. From the date of the change, the accounting policies of the Group into which the asset has been transferred are applied to the asset. The Group is not capitalising borrowing costs to investment properties.

Property, plant and equipment

Property, plant and equipment are assets used in the operations of the Group with a useful life of over one year when it is probable that future economic benefits attributable to them will flow to the Group.

Land and buildings are carried using the revaluation method: after initial recognition, land and buildings are carried at the revalued amount, being the fair value of the assets at the date of revaluation less any accumulated depreciation and any impairment losses. Valuations are performed regularly by real estate experts at least once every four years. Earlier accumulated depreciation is eliminated on the date of revaluation and the former cost of the asset is replaced by its fair value on the date of revaluation.

The increase in the carrying amount of land and buildings as a result of revaluation is recognised in the statement of comprehensive income and accumulated in the equity item "Revaluation reserve". The recoveries of value of such assets that have been written down through profit or loss are recognised in the profit or loss. Impairment of an asset is recognised in the statement of comprehensive income to the extent of the accumulated revaluation reserve of the same asset. The remaining amount is charged to the profit or loss. Each year, the difference in depreciation arising from the difference in historical cost and revalued amounts of assets is transferred from "Revaluation reserve" to "Retained earnings".

Items of property, plant and equipment are recognised at cost less any accumulated depreciation and any impairment losses. Other items of property, plant and equipment are initially recognised at cost which consists of the purchase price and any directly attributable expenditure.

For items of property, plant and equipment that necessarily take a substantial period of time to get ready for its intended use, the borrowing costs are capitalised in the cost of the asset. Capitalisation of borrowing costs is terminated when the asset is substantially ready to be used or its active development has been suspended for a longer period of time.

Subsequent expenditure incurred for items of property, plant and equipment are recognised as property, plant and equipment when it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. Other repair and maintenance costs are recognised as expenses at the time they are incurred.

The straight-line method is used for determining depreciation. The depreciation rates are set separately for each item of property, plant and equipment depending on its useful life. The ranges of useful lives for the groups of property, plant and equipment are as follows:

· Land and buildings	
- Land is not amortised	
- Buildings and facilities	10-50 years
incl. improvements of buildings	*12-23 years*
· Right of use assets – properties	rental period, 2-20 years
· Machinery and equipment	3-7 years
· Other fixtures and fittings	
- IT equipment and software	3-7 years
- Vehicles and fixtures	5 years
- Capitalised improvements on rental premises	4-10 years

Depreciation is started when the asset is available for use for the purpose intended by management and is ceased when the residual value exceeds the carrying amount, when the asset is permanently withdrawn from use or upon its reclassification as held for sale. On each balance sheet date, the appropriateness of the depreciation rates, the depreciation method and the residual value are reviewed.

Management assesses on each balance date whether there is any known indication of the impairment of non-current assets. When indications of impairment exist, management determines the recoverable amount of non-current assets (i.e. higher of the fair value of the asset less costs to sell and its value in use). When the recoverable amount is lower than the carrying amount, the items of property, plant and equipment are written down to their recoverable amount. An impairment loss recognised in previous period is reversed when there has been a change in the estimates that form the basis for determining recoverable value.

Intangible assets

Purchased intangible assets are initially recognised at cost which includes the purchase price and any directly attributable expenditure. The cost of intangible assets acquired in a business combination is their fair value at the time of the business combination. After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and any impairment losses.

The straight-line method is used for amortising intangible assets with finite useful lives. The useful lives are as follows:

- Trademark 7 years
- Beneficial agreements 7 years
- Capitalised development expenditure 5 years

Impairment of assets

Assets that are subject to depreciation and land are assessed for possible impairment when there is any indication that the carrying amount of the asset may not be recoverable. Whenever such indication exists, the recoverable amount of the asset is assessed and compared with the carrying amount. An impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its fair value less costs to sell and its value in use. An impairment test is performed for the smallest identifiable group of assets for which cash flows can be determined (cash-generating unit). On each following balance sheet date, the test is repeated for the assets that have been written down to determine whether their recoverable amount has increased.

Financial liabilities

Financial liabilities (trade payables, other current and non-current liabilities) are initially recognised at cost, less transaction costs. They are subsequently measured at amortised cost, using the effective interest rate method.

The amortised cost of current financial liabilities generally equals their nominal value, therefore current financial liabilities are carried in the balance sheet in their redemption value. For determining the amortised cost of non-current financial liabilities, they are initially recognised at the fair value of the consideration received (less any transaction costs), calculating interest expense on the liability in subsequent periods using the effective interest rate method.

Leases

The Group is as lessee or as lessor in lease agreements. The Group leases offices, machinery and equipment, vehicles.

The Group as the lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, a lessee measures the right-of-use asset applying a cost model.

To apply a cost model, a lessee measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected not to apply the requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT equipment.

The Group as the lessor

Assets leased out under operating lease terms are recognised in the balance sheet analogously to property, plant and equipment. They are depreciated over their expected useful lives on a basis consistent with similar assets. Operating lease payments are recognised as income on a straight-line basis over the lease term.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income.

Sublease

When the Group is an intermediate lessor, it accounts the head lease and the sublease separately. It assesses the classification of a sublease as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. When subleases are classified as finance leases the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and presents the net investment in the sublease under non-current receivables and prepayments in the statement of financial position. During the term of the sublease the Group recognises finance income on sublease based on pattern reflecting a constant period rate of return on the net investment in the lease.

For subleases classified as operating lease, the Group recognises the lease income on a straight-line basis over the lease term and includes them in revenue in the statement of comprehensive income.

Corporate income tax and deferred corporate income tax

Corporate income tax assets and liabilities, and income tax expenses and income include current (payable) income tax and deferred income tax. Income tax payable is classified as a current asset or a current liability, and deferred income tax as a non-current asset or a non-current liability.

Group's Estonian entities

In accordance with applicable laws of the Republic of Estonia, the Estonian entities do not pay income tax on profits. Instead of the income tax payable on profits, the Estonian entities pay corporate income tax on dividends, fringe benefits, gifts, donations, costs of entertaining guests, non-business related disbursements and adjustments of the transfer price. As of 01 January 2015 the current tax rate is 20/80 on the amount paid out as net dividends. From 2019, tax rate of 14/86 can be applied to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount of up to the average dividend payment during the three preceding years that were taxed with the tax rate of 20/80. When calculating the average dividend payment of three preceding years, 2018 will be the first year to be taken into account. From 01.01.2025, the tax rate is 22/78 on net dividends paid out. Under certain conditions, it is possible to redistribute received dividends without additional income tax expense. The condition for tax exemption is that the company that received the dividend and paid it forward had a stake of at least 10% in the respective company when the dividends were received. The lower tax rate of 14% or 14/86 of the net amount of dividends that previously applied to regular dividends is no longer applicable from January 1, 2025. It is possible to apply a transitional provision for redistribution of dividends taxed at a lower tax rate received before this date.

An income tax liability is due on the 10th day of the month following the payment of dividends.

Deferred income tax is provided on post-acquisition retained earnings and other post acquisition movements in reserves of subsidiaries, except where the Group controls the subsidiary's dividend policy and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

The maximum income tax liability which would accompany the distribution of Company's retained earnings is disclosed in Note 29 to the consolidated financial statements.

Corporate income tax in Lithuania

In Lithuania, corporate profits are subject to income tax. The corporate income tax rate is 15% in Lithuania on taxable income. Taxable income is calculated by adjusting profit before tax for permanent and temporary differences as permitted by local tax laws.

For Lithuanian subsidiaries, the deferred income tax assets and liabilities are determined for all temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet date. Deferred corporate income tax is calculated on the basis of tax rates applicable on the balance sheet date and current legislation, expected to prevail when the deferred tax assets are settled. Deferred tax assets are recognised in the balance sheet only when it is probable that future taxable profit will be available against which the deductions can be made.

Corporate income tax in Latvia

In accordance with the tax law effective until 2017, profits of entities in Latvia were taxable with income tax. Therefore, until that, deferred tax was provided for on all temporary differences arising between the tax bases of assets and liabilities of Latvian subsidiaries and their carrying amounts in the consolidated financial statements. In accordance with the new Corporate Income Tax Law, starting from 1 January 2018, corporate income tax with a rate of 20/80 is levied on profits arisen after 2017 only upon their distribution. Transitional provisions of the law allow for reductions in the income tax payable on dividends, if the entity has unused tax losses or certain provisions recognised by 31 December 2017.

Due to the new tax law, there is no longer differences between the tax bases and carrying amounts of assets and liabilities, and hence, deferred income tax assets and liabilities no longer arise in respect of subsidiaries in Latvia. All deferred tax assets and liabilities recognised in previous periods were derecognised in 2017 and related income tax expense/income was recorded in the statement of profit or loss or in other comprehensive income/equity in respect of deferred income tax assets/liabilities recognised through other comprehensive income/equity.

Deferred income tax is provided on post-acquisition retained earnings and other post acquisition movements in reserves of subsidiaries, except where the Group controls the subsidiary's dividend policy and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

Minimum Corporate Tax

The European Union disclosed a directive enforcing the minimum corporate tax requirement in December 2021, and in May 2022, the European Parliament approved new rules for establishing a general minimum corporate tax rate. Based on the currently available information, Estonia has the right to postpone the implementation of this regulation until 2030.

Revenue recognition

Revenue is income arising in the course of the Group's ordinary activities. Revenue is measured in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange of transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a good or service to a customer.

Sale of goods – retail

Revenue from the sale of goods is recognised at the time when a sales transaction is completed for the client in a retail store. The client generally pays in cash, by credit card or with bank transfer. The probability of returning goods is estimated at specific commodity group level according to the historical volume of returns (expected value method), and returns are recognised in the period of the sales transaction as a reduction of revenue, by recognising a contract liability (refund liability) and a right to the returned goods. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision. As at 31.12.2025 and 31.12.2024, there is no material guarantee provision.

If the Group provides any additional services to the customer after control over the goods has passed, revenue from such services is considered to be a separate performance obligation and is recognised over the time of the service rendering.

Sale of goods – wholesale

The Group's wholesale mainly consist of car sales to the dealers and other wholesale. Sales are recognised when control of the products has transferred, being when the products are delivered to the dealers, the dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the dealer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the dealer, and the dealer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The probability of returning goods is estimated at specific commodity group level according to the historical volume of returns (expected value method), and returns are recognised in the period of the sales transaction as a reduction of revenue, by recognising a contract liability (refund liability) and a right to the returned goods. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision. As at 31.12.2025 and 31.12.2024, there is no material guarantee provision.

If the Group provides any additional services to the customer after control over the goods has passed, revenue from such services is considered to be a separate performance obligation and is recognised over the time of the service rendering.

Sale of services

The Group provides security and car services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the contract includes an hourly fee, revenue is recognised in the amount to which the company has a right to invoice. Customers are invoiced on a monthly basis or at the completion of works and consideration is payable when invoiced. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Accounting for customer loyalty programme

The Group implemented a loyalty programme for customers, which allows Partner Card holders to earn points for purchases and use these points to pay for their future purchases in the Group's four companies. When paying for the purchases, one bonus point equals one euro cent. Points earned during a calendar year will expire at the end of January of the following calendar year. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised and contract liability derecognised when the points are redeemed or when they expire. The transaction price is allocated to the goods sold and the award points on the basis of their relative stand-alone selling prices.

Government grants

Government grants are aid given by governments in the form of making certain resources available to entities. To obtain it, the business operations of an entity need to comply with certain predetermined criteria. Government grants do not include government aid the value of which cannot be reliably estimated (e.g. state guarantees and free government consultations) and economic transactions concluded with the public sector on an arm's length basis.

A government grant is recognised at fair value, when there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Grants related to income are recognised as income over the periods necessary to match them with the costs which they are intended to compensate.

Financing component

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Note 3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and judgments by management, which impact the amounts reported in the financial statements. It also requires management to exercise its judgment and make estimates in the process of applying the Group's accounting policies and measurement bases. Although these estimates have been made to the best knowledge of management, they may not coincide with subsequent actual results. Changes in management estimates are included in the profit or loss of the period in which the change occurred.

The areas requiring key management judgments and estimates which have a direct impact on the amount reported in the financial statements are as follows:

- *Determination of the revalued value of land and buildings:* the Group accounts for land and buildings using the revaluation method. For this purpose, management regularly evaluates whether the fair value of revalued non-current assets does not significantly differ from their carrying amount. Management uses internal and external expert opinions to determine the fair value of revalued non-current assets.
- As a result of the valuation performed in 2025, the value of land and buildings located in Estonia (carrying value: 194,505 thousand euros as at 31.12.2025) increased by 9,293 thousand euros, which was identified through other comprehensive income and decrease through profit and loss by 132 thousand euros. As a result of the valuation performed in 2024, the value of land and buildings located in Estonia (carrying value: 190,035 thousand euros as at 31.12.2024) was adjusted neither upwards nor downwards. As a result of the valuation performed in 2025, the value of land and buildings located in Latvia (carrying value: 13,417 thousand euros as at 31.12.2025) increased by 1,006 thousand euros, which was identified through other comprehensive income. As a result of the valuation performed in 2024, the value of land and buildings located in Latvia (carrying value: 12,824 thousand euros as at 31.12.2024) was adjusted neither upwards nor downwards. As a result of the valuation performed in 2025, the value of land and buildings located in Lithuania (carrying value: 11,700 thousand euros as at 31.12.2025) increased by 873 thousand euros, which was identified through other comprehensive income. For the land and buildings located in Lithuania with carrying value of 1,877 thousand euros as at 31.12.2024 the valuation did not reveal any significant differences between fair value and carrying value. As at 31.12.2025 the carrying

value of land and buildings using revaluation method was 219,622 thousand euros (31.12.2024: 204,736 thousand euros). More detailed information is disclosed in Note 13.

- *Assessment of impairment of buildings under construction:* at each balance sheet date, the Group assesses whether any indications exist of possible impairment of buildings under construction. If such indications exist, an impairment test is also performed at each balance sheet date on assets that have been previously impaired. For estimation of the value, the items' value in use is determined. For determining the value in use, the discounted cash flow method is used. Internal and external valuers were used for determining the value in use.
- As a result of the impairment test performed in the reporting period, buildings under construction located in Estonia, with carrying value of 12,788 thousand euros as at 31.12.2025, the valuation did not reveal any significant differences between fair value and carrying value. As a result of the impairment test performed in 2024, buildings under construction located in Estonia, with carrying value of 6,625 thousand euros as at 31.12.2024, the impairment loss of one object was identified in the amount of 50 thousand euros. The carrying value of the buildings under construction located in Latvia (carrying value: 6,012 thousand euros as at 31.12.2025) the impairment loss was recognised in the amount of 4 thousand euros as regards of one object. The carrying value of the buildings under construction located in Latvia (carrying value: 6,012 thousand euros as at 31.12.2024) the need for reversal of an impairment loss recognized in previous years in the amount of 119 thousand euros of three objects was identified. As regards of two objects, the impairment loss was recognised in the amount of 362 thousand euros. Buildings under construction located in Lithuania with carrying value of 0 euros as at 31.12.2025 (carrying value: 633 thousand euros as at 31.12.2024) showed no significant differences between value in use and carrying value in current period and 2024. See more detailed information in Note 13.
- *Assessment of impairment of goodwill:* at least annually, the Group evaluates possible impairment of goodwill which arose in the acquisition of subsidiaries. For determining the value in use, management has forecasted future cash flows of cash-generating units and selected an appropriate discount rate for determining the present value of cash flows. As at 31.12.2025, the carrying value of goodwill was 19,049 thousand euros (31.12.2024: 19,049 thousand euros). In 2025 and 2024, no recognition of impairment of goodwill was necessary. More detailed information is disclosed in Note 9 and 14.
- *Assessment of the transfer of control related to the automotive segment expansion transaction:* on 7 January 2026, TKM Auto OÜ entered into an agreement to acquire 100% of the shares in Rohe Auto AS, SKO Motors OÜ, and a real estate holding company to be established prior to completion of the transaction. Completion of the transaction is subject to a number of conditions precedent, including preparatory actions to be carried out by the seller. Management has assessed the period following the signing of the agreement in accordance with the control criteria under IFRS 10 (power over relevant activities, exposure to variable returns, and the ability to use power to affect returns). Based on the application of these criteria, management has concluded that control had not transferred as at the reporting date nor as at the date of preparation of the annual report, because:
    - the Group had not obtained possession of the shares or any governance rights;
    - the operations and decision making authority of the entities remained fully with the seller;
    - competition law restrictions prohibited the Group from influencing the activities of the target entities prior to the receipt of merger clearance;
    - the Group's approval rights over certain exceptional actions did not confer substantive control within the meaning of IFRS.

  The transfer of control will occur on the date of completion of the transaction, which is expected to fall between 20 February 2026 and 30 June 2026. From the date control is obtained, the acquired entities will be consolidated into the Group's consolidated financial statements. Until the transfer of control occurs, the transaction is treated as a non adjusting post balance sheet event in accordance with IAS 10.

Note 4 Management of financial risks

The Group's activity may be associated with exposure to several financial risks, of which liquidity risk, credit risk and market risk (including foreign exchange rate risk, interest rate risk and price risk) have the most significant impact. Managing financial risks falls within the competence of the management board of the parent company, and it involves identification, measurement and management of risks. The objective of financial risk management is the mitigation of financial risks and reducing the volatility of financial performance results. The supervisory board of the parent company oversees that measures are taken by the management board to manage risks. The Group systematically analyses and manages risks through the financial unit, which is involved in financing the parent company and its subsidiaries, and consequently, in managing liquidity risk and interest rate risk. Managements and financial units of subsidiaries also analyse and manage risks. Assistance of specialists of the principle shareholder NG Investeeringud OÜ is used in risk management.

Financial assets of the Group comprise cash and cash equivalents (Note 5), trade receivables (Note 7), other short-term receivables (Note 6) and other long-term receivables (Note 11). All financial liabilities of the Group are gathered under the category "Other financial liabilities" and they include loan liabilities (Note 15), trade creditors (Note 17), interest payable, other accrued expenses and tenant security deposits (Note 17).

Market risk

Foreign currency risk

Foreign exchange risk is a risk that the fair value of financial instruments or cash flows will fluctuate in the future due to changes in foreign exchange rates. The financial assets and liabilities denominated in euros are deemed to be financial assets and liabilities free of foreign exchange risk. To manage the foreign exchange risk of the Group, most of the contracts are concluded in euros. Also, all loan agreements are denominated in euro and are therefore considered to be free of foreign exchange risk. As of the end of the accounting period, the Group did not have any major financial assets and liabilities fixed in some other currency than the euro. The Group has assessed its foreign-exchange risks in current financial year and does not see any reason to use additional measures to manage the foreign exchange risk.

Cash flow and fair value interest rate risk

Interest rate risk is such risk whereby an increase in interest expenses due to higher interest rates may significantly impact the profitability of the Group's operations. The Group's interest-rate risk mainly arises from long-term floating interest rate loan commitments.

The Group's long-term borrowings are predominantly linked to Euribor and are therefore exposed to developments in international financial markets. In managing the Group's interest rate risk, it is important to monitor movements in the money market interest rate curve, which reflects market participants' expectations regarding interest rates and enables an assessment of trends in euro interest rates. The downward trend in the six-month Euribor that began in 2024 continued in 2025, albeit at a more moderate pace. By the end of the year, the six-month Euribor stood at 2.1% and has remained unchanged at the beginning of 2026. According to economic analysts, this stable trend is expected to continue in 2026, with the six-month Euribor rate remaining at approximately 2% throughout the year.

If, as at 31 December 2025, the interest rates on floating-rate financial liabilities had been 1 percentage point higher (31 December 2024: 1 percentage point), the Group's finance costs would have increased by 1,716 thousand euros (2024: 1,450 thousand euros). If, as at 31 December 2025, interest rates had been 0.1 percentage points lower, the Group's finance costs would have decreased by 172 thousand euros (as at 31 December 2024: a change of 0.1 percentage points and 145 thousand euros).

In the course of analysing interest rate risk, various options for mitigating risks are considered. These include refinancing, renewing existing positions, taking out fixed-rate loans and alternative financing. During the reporting year and the preceding financial year, management has assessed and acknowledged the extent of interest rate risk and has concluded that the above-mentioned interest rate changes do not have a material impact on the Group's financial results.

The borrowings of the Group are exposed to changes in interest rate risks as follows:

in thousands of euros

	31.12.2025	**31.12.2024**
Interest rates in 3 months	8,350	9,426
Interest rates in 3 - 6 months	138,716	142,192
Total borrowings at floating interest rate	**147,066**	**151,618**
Total borrowings	**320,478**	**324,394**

Credit risk

Credit risk is defined as the risk that the Group will suffer as financial loss caused by the other party of a financial instrument who is unable to meet its liabilities.

The Group is exposed to credit risk arising from its operating (mainly receivables) and investing activities, including deposits in banks and financial institutions. The management of the Group manages the credit risk arising from deposits in banks and financial institutions in compliance with the Group's strategy, according to which the Group may invest available funds only into financial instruments that meet the following criteria:

- deposits and cash in bank accounts in domestic credit institutions – the domestic credit institution has an activity licence as required by the Credit Institutions Act and the credit rating of its parent bank by Moody's rating agency is at least A2 and the rating perspective is set at least as stable or equivalent;
- deposits and cash in bank accounts in foreign credit institutions– the credit rating of the foreign credit institution as provided by Moody's rating agency is at least A2 and the rating perspective is set at least as stable or equivalent.

In the allocation of short term liquid funds the following principles are followed in the order of priority:

- assuring liquidity;
- capital retention;
- earning income.

The Group does not keep more than 70% of its assets (including money in the bank account, deposits and investments in the bonds of the relevant bank) in one bank to manage the credit risk.

Cash and cash equivalents by the credit rating of the depositing bank in thousands of euros:

	31.12.2025	**31.12.2024**
Aa2	28,270	2,621
A1	20	0
Aa3	0	41,587
A3	2	3
Total	**28,292**	**44,211**

Credit rating is given to deposits. The data is from the website of Moody's Investor Service.

Due to the specific nature of retail sales, the Group is not exposed to any major credit risk. Possible credit risk related to receivables is primarily attributable to non-collection of rental income, but this risk does not represent a major risk for the Group. As at 31 December 2025, the maximum credit risk arising from receivables is in the amount of 21,081 thousand euros (2024: 25,641 thousand euros).

The aging structure of receivables is as follows, in thousands of euros:

	31.12.2025	**31.12.2024**
Not due	19,769	21,357
Incl. receivables from card payments	3,407	3,255
Incl. trade receivables	15,414	17,700
Incl. other receivables	948	402
Overdue < 3 months	1,029	4,006
Overdue 3 - 6 months	109	60
Overdue 6 - 12 months	49	82
Overdue > 12 months	125	136
Total receivables	**21,081**	**25,641**

The receivables arising from card payments are secured by the card payment agreement of Swedbank AS, ensuring the receipt of card payments during two banking days. Other receivables are secured by merchandise contracts and they do not carry credit risk because the Group's liabilities to the same contractual partners exceed the receivables due from them.

Customers with overdue receivables are also the Group's suppliers whose liabilities exceed the amount of receivables. See also Note 6 and 11.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses (ECLs), the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking (including macroeconomic) information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The discount on cash and bank accounts and receivables at 31 December 2025 on the basis of the principles described above was insignificant.

Liquidity risk

Liquidity risk is risk that the Group is unable to meet its financial liabilities due to cash flow shortages.

Liquidity, i.e. the existence of adequate financial resources to settle the liabilities arising from the activities of the Group is one of the priorities of TKM Grupp AS. For more efficient management of the Group's cash flows, joint group accounts of the

Parent and its subsidiaries have been set up at the banks which enable the members of the group accounts to use the monetary funds of the Group within the limit established by the Parent. In its turn, this group as a subgroup has joined the group account of NG Investeeringud OÜ. To manage liquidity risk, the Group uses different sources of financing, including bank loans, overdraft, regular monitoring of trade receivables and delivery contracts.

The Group's operating units forecast their cash flows on an ongoing basis and they are added to the cash flow forecasts of the Group's parent company in the Group's financial unit. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, at all times so that the Group does not breach borrowing limits or covenants.

Analysis of the Group's undiscounted financial liabilities by maturity dates:

In thousands of euros	< 3 months	3-12 months	1-3 years	3-5 years	after 5 years	Total 31.12.2025
Borrowings	5,739	43,462	54,724	46,437	10,977	161,339
Lease liabilities	6,103	18,430	46,560	40,686	100,532	212,311
Financial liabilities (Note 17)	76,081	0	0	0	0	76,081
Total	**87,923**	**61,892**	**101,284**	**87,123**	**111,509**	**449,731**

In thousands of euros	< 3 months	3-12 months	1-3 years	3-5 years	after 5 years	Total 31.12.2024
Borrowings	4,959	26,275	84,502	38,702	12,283	166,721
Lease liabilities	6,019	18,034	48,085	42,848	87,394	202,380
Financial liabilities (Note 17)	81,481	0	0	0	0	81,481
Total	**92,459**	**44,309**	**132,587**	**81,550**	**99,677**	**450,582**

For calculating future cash flows, the floating interest rates prevailing at the balance sheet date of 31.12.2025 and 31.12.2024, have been used.

As at the end of the financial year, the Group had available funds in cash and cash equivalents in the amount of 29,516 thousand euros (2024: 45,454 thousand euros). As of 31.12.2025, the Group had undrawn borrowing facilities in the amount of 15,000 thousand euros (2024: 15,000 thousand euros). The Group follows its established credit risk management strategy when investing its cash flow surplus. As of 31.12.2025, the Group had placed no deposits into the joint group account through its parent company NG Investeeringud OÜ (31.12.2024: 0 euros).

As at 31 December 2025, working capital was negative at 14,161 thousand euros (2024: positive 17,422 thousand euros). At the end of 2025, the volume of short-term loan liabilities increased significantly due to the final instalments of several long-term loans maturing in 2026, amounting to 32,129 thousand euros, which are classified as current liabilities as at year-end. The loans maturing in 2026 are planned to be refinanced during 2026. The loan-to-value (LTV) ratio of short-term loan agreements remains in the range of 34.6% to 44.5%. The properties pledged as collateral are occupied by the Group's subsidiaries under market-based intra-group lease agreements established in accordance with transfer-pricing principles. The related cash flows are considered by management in its liquidity risk assessment, including the calculation of the debt-service coverage ratio (DSCR). Accordingly, in management's assessment, there are no obstacles to extending the short-term loan agreements. The refinancing process had been initiated by the time of publication of this report. The Group's liquidity ratio (current assets excluding inventories divided by current liabilities) stood at 0.31 in 2025, declining compared to 0.47 in 2024. Coverage of short-term liabilities has temporarily decreased due to the increase in current liabilities resulting from the above-mentioned refinancing-related loan maturities.

Capital management

The Group's primary goal of capital (both debt and equity) management is to ensure a strong capital structure, which would support the stability of the Group's business operations and continuity of its operations, and would optimise the capital structure, lower the cost of capital and thereby protect the interests of shareholders. To preserve and adjust the capital structure, the Group may regulate the dividends payable to the shareholders, resell shares, issue new shares or sell assets to cover liabilities.

Following a common practice in retail business, the Group uses the debt-to-equity ratio, which is calculated as net debt to total capital (which is equity plus net debt), to monitor its proportion of capital. As at 31 December 2025, the ratio was 52% and compared to 31 December 2024 when the ratio was also 52%, the ratio has remained unchanged. According to the management estimation, the capital structure is optimal and does not need to be adjusted.

in thousands of euros

	31.12.2025	31.12.2024
Interest-bearing liabilities (Note 15)	320,478	324,394
Cash and cash equivalents (Note 5)	-29,516	-45,454
Net debt	**290,962**	**278,940**
Equity	263,753	261,528
Total equity and net debt	**554,715**	**540,468**
Debt to equity ratio*	52%	52%

**Debt to equity ratio = Net debt / Total equity and interest-bearing borrowings*

Fair value of financial instruments

Management estimates that the carrying amount of the Group's financial assets and liabilities does not significantly differ from their fair value. Trade receivables and payables are short-term and therefore the management estimates that their carrying amount is close to their fair value. Most of the Group's long-term borrowings are based on floating interest rates, which change according to the market interest rate. According to management's opinion, the Group's risk margins have not significantly changed compared to the time when the loans were received and the Group's interest rates on borrowings correspond to market conditions. Based on the above, the management estimates that the fair values of long-term payables and receivables are an approximation of their carrying amount. To determine the fair value, a discounted cash flow analysis has been used, by discounting contractual future cash flows with current market interest rates that are available to the Group for using similar financial instruments. Fair value of financial instruments is level 2.

Note 5 Cash and cash equivalents

in thousands of euros

	31.12.2025	31.12.2024
Cash on hand	1,224	1,243
Bank accounts	1,665	5,065
Overnight deposit	25,666	37,967
Cash in transit	961	1,179
Total cash and cash equivalents (Note 4)	**29,516**	**45,454**

Note 6 Trade and other receivables

in thousands of euros

	31.12.2025	31.12.2024
Trade receivables (Note 7)	20,133	25,239
Other short-term receivables	941	397
Total financial assets from balance sheet line "Trade and other receivables"	**21,074**	**25,636**
Prepayment for inventories	203	3,353
Other prepaid expenses	2,098	1,236
Prepaid rental expenses	15	12
Prepaid taxes (Note 18)	238	73
Total trade and other receivables	**23,628**	**30,310**

Note 7 Trade receivables

in thousands of euros

	31.12.2025	31.12.2024
Trade receivables	16,437	21,320
Provision for impairment of trade receivables	-79	-128
Receivables from related parties (Note 26)	368	792
Credit card payments (receivables)	3,407	3,255
Total trade receivables (Note 6)	**20,133**	**25,239**

Note 8 Inventories

in thousands of euros

	31.12.2025	31.12.2024
Goods purchased for resale	100,466	96,291
Tare and materials	720	800
Total inventories	**101,186**	**97,091**

The profit or loss line "Cost of merchandise" includes the allowances and write-off expenses of inventories and inventory stocktaking deficit which in 2025 amounted to 17,387 thousand euros (2024: 16,993 thousand euros).

The basis for inventory write-down is their aging structure and in case of fashion goods, the seasonality. The carrying amount of inventories is adjusted through the allowance account. As at 31 December 2025, the allowance account amounted to 985 thousand euros (31.12.2024: 798 thousand euros) and amount of these asset recognised at net realisable value amounted to 17,911 thousand euros (31.12.2024: 18,133 thousand euros).

The Group's "Cost of merchandise" in 2025 amounted 665,038 thousand euros (2024: 684,797 thousand euros). The Group recognises as the "Cost of merchandise" the cost of purchased passenger cars, food and industrial goods, packing material, cost of finished goods, logistics and transportation, and write off of inventories.

Inventories have been partially pledged as part of the commercial pledge and a security deposit of inventories was set as a pledge for the financing agreements; information on pledged assets is disclosed in Note 25.

Note 9 Subsidiaries

TKM Grupp AS as at 31.12.2025 consists of:

Name	Location	Area of activity	Ownership 31.12.2025	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

According to the demerger approval signed on 22.05.2025, UAB KIA Auto (the dividing company), which resumed using its previously used business name after the division, transferred the Škoda business line to the acquiring company, which is the company established on 28th of May 2025 during the division and named Motus auto UAB. The division was entered in the Lithuanian Commercial Register on 28th of May 2025.

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.

Ownership of subsidiaries as at 31.12.2025 has remained the same as at 31.12.2024.

No business combinations took place in 2025.

Note 10 Investments in associates

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. See also Note 20.

in thousands of euros

	31.12.2025	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	297	281
Dividends received	-170	-280
Investment in the associate at the end of the year	**1,860**	**1,733**

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

	31.12.2025	31.12.2024
Current assets	447	227
Property, plant and equipment	3,344	3,350
Current liabilities	65	115
Owners' equity	3,726	3,462
Revenue	791	726
Net profit	603	538

Note 11 Long-term trade and other receivables

in thousands of euros

	31.12.2025	31.12.2024
Prepaid rental expenses	183	206
Deferred tax asset	27	24
Other long-term receivables	7	5
Total long-term trade and other receivables	**217**	**235**

Note 12 Investment property

in thousands of euros

Carrying value as at 31.12.2023	**64,971**
Purchases and improvements	510
Reclassification from property, plant and equipment (Note 13)	21,799
Proceeds from sale	-8,425
Net loss from fair value adjustment	2,429
Carrying value as at 31.12.2024	**81,284**
Purchases and improvements	569
Reclassification to property, plant and equipment (Note 13)	-1,051
Proceeds from sale	-5,080
Net loss from fair value adjustment	440
Carrying value as at 31.12.2025	**76,162**

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. See also Note 20.

The cost of investments for the 12 months of 2025 amounted to 569 thousand euros (2024: 510 thousand euros).

During the reporting period, construction work was carried out on real estate objects in Estonia in the logistics centre in the amount of 154 thousand euros, construction work was carried out in the Viimsi centre in the amount of 305 thousand euros, and renovation work was carried out in the Tartu Kaubamaja centre in the amount of 110 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 the reporting year, a property located at Veesaare tee 3, Peetri, Rae Rural Municipality, was reclassified from investment property to property, plant and equipment. Viking Motors AS, which is primarily engaged in the sale and servicing of Kia and Peugeot vehicles, will receive a new 3,600-square-metre body and paint workshop building in Peetri in the first half of 2026. Viking Motors AS is a wholly owned subsidiary of TKM Auto AS.

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.

Assessment of fair value of the item Investment properties

Management assesses the fair value of investment properties every year. Fair values were determined based on the management's judgement, using the assessments of real estate experts for determining the inputs. To determine fair values, income approach (the discounted cash flow method) and market data (comparable transactions, rental income etc.) were used.

For estimating the value of investment properties located in Estonia, the valuations of a certified independent real estate expert was used regarding 2 objects (2024: 4 object). During the reporting period, an expert opinion was received from a real estate expert regarding discount and rental growth rates for 3 Estonian real estate investment property (2024: 1 object) and in 2024 one object was not assessed. Discount rates 8.0%-9.0% (2024: 8.5%-9.9%) depending on the location of the property and rental income growth rate 0.0%-3.0% (2024: 0.0%-9.0%) were used for valuation. When determining the rental price input in the assessment of investment properties, the current rental agreements were used, which in the estimation of the management correspond to the market conditions.

In 2024, the valuation of investment property located in Latvia was based on letters of intent, sales transactions took place in January 2025, and therefore by the end of the reporting period, the Group no longer owns investment properties in Latvia.

As a result of the valuation in 2025 in Estonia, the fair values of investment property increased in the amount of 858 thousand euros (2024: 2,105 thousand euros) and decreased in the amount of 418 thousand euros (2024: 378 thousand euros).

As a result of the valuation in 2024 in Latvia, the fair values of investment property increased in the in the amount of 711 thousand euros.

Net fair value adjustment of investment property is recorded in profit or loss line "Other operating income" in the amount of 440 thousand euros in 2025 (2024: 2,429 thousand euros).

Group management has prepared fair value sensitivity analysis for investment properties. Accordingly, if rental income would change +/-10% then the fair value of investment properties would change +7,865/-7,865 thousand euros (2024: +8,055/-8,055 thousand euros). If the discount rates used for determining fair value would change +/-0.5pp then the fair value of investment properties would change -1,439/+1,478 thousand euros (2024: -1,515/+1,555 thousand euros).

The Group's investment properties carried at fair value as at 31.12.2025 and 31.12.2024 are measured at level 3.

In 2025, the Group's rental income on investment properties amounted to 5,633 thousand euros (2024: 5,264 thousand euros). Direct property management expenses in 2025 amounted to 1,908 thousand euros (2024: 2,105 thousand euros).

Future operating lease rentals receivable under non-cancellable contracts break down as follows:

In thousands of euros	31.12.2025	31.12.2024
due in less than 1 year	4,918	5,956
due between 1 and 5 years	18,421	20,590
due after 5 years	16,097	18,071
Total	**39,436**	**44,617**

Investment property was partially used as collateral for the borrowings. More detailed information is disclosed in Note 25.

Note 13 Property, plant and equipment

in thousands of euros

	Land and buildings	Right-of use-assets: retail properties	Machinery and equipment	Other fixtures and fittings	Construction 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 12)	0	0	0	0	-21,799	-21,799
Reclassification from intangible assets (Note 14)	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	1,098	0	1,697	5,089	15,591	23,475
Other reclassifications	9,188	0	257	192	-9,166	471
Reclassification from investment property (Note 12)	1,051	0	0	0	0	1,051
Reclassification to inventory	0	0	-457	-17	0	-474
Reclassification to property, plant and equipment from inventory	0	0	2,114	0	29	2,143
Disposals	0	0	-814	0	0	-814
Write-offs	-5	0	-12	-16	0	-33
Decrease/increase in value through profit or loss	-132	0	0	0	-4	-136
Increase in value through revaluation reserve	11,172	0	0	0	0	11,172
Adjustment to right-of use assets	0	18,823	0	0	0	18,823
Depreciation	-7,486	-20,259	-7,717	-6,033	0	-41,495
31.12.2025						
Cost or revalued amount	219,622	284,433	79,354	63,777	29,591	676,777
Accumulated depreciation and impairment	0	-127,465	-55,030	-46,038	-9,267	-237,800
Carrying value	**219,622**	**156,968**	**24,324**	**17,739**	**20,324**	**438,977**

Investments in non-current assets

The cost of investments for the 2025 amounted to 24,950 thousand euros (including purchases of property, plant and equipment in the amount of 23,475 thousand euros and purchases of intangible assets amounted to 1,475 thousand euros).

The cost of purchases of property, plant and equipment made in reporting period in the supermarkets business segment was 4,075 thousand euros. During the reporting period, Jõgeva Selver underwent a thorough renovation. Additionally, was acquired computing equipment, the store fittings were renewed, and security equipment was purchased.

The cost of purchases of property, plant and equipment in the department stores business segment amounted to 1,540 thousand euros. During the reporting period, the Children's Department at Kaubamaja's Tallinn store underwent a refurbishment, and the Anni Arro café was opened in the Women's Department of the Tallinn store. In addition, computer equipment was purchased and fittings and fixtures were upgraded.

The cost of purchases of property, plant and equipment in the reporting period was 2,620 thousand euros in the car trade business segment.

The cost of purchases of property, plant and equipment in the reporting period was 439 thousand euros in the security business segment.

The cost of purchases of property, plant and equipment in the real estate business segment during the reporting period totalled 14,801 thousand euros. During the reporting period, a new multi-brand car centre was completed in Lithuania. In Estonia, preparations have been started for the construction of a bodywork workshop next to Viking Motors' Peetri dealership. This year, several store building renovation projects have been launched with the aim of modernising the buildings and aligning them with current business needs. The renovations will improve the energy efficiency of the buildings. Preparations have been completed for the expansion of Laulasmaa Selver and Keila Selver.

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

At the year-end 2025, the fair value of "Land and buildings" and recoverable amount of "Buildings under construction" was assessed. The fair values of "Land and buildings" and the recoverable amounts of "Buildings under construction" (based on the value in use and fair value less selling expenses) were determined based on management's judgment, using the estimates of real estate experts for determining the inputs to be used or the fair value of the items. The discounted cash flow model with market information (transactions, rental income, etc.) and/or market approach were both used for determining fair values as well as recoverable amounts.

Estimation of fair value of "Land and buildings"

The evaluation of "Land and buildings" has been performed every year end. If the value of "Land and buildings" is greater than the balance sheet value, "Land and buildings" are revalued through the revaluation reserve at least once every four years, or more often if there are significant changes in the value of "Land and buildings". Considering the changes in the economic environment over the past two years, the management has come to the conclusion that the values of "Land and buildings" have changed significantly by the end of the reporting year and the management decided to perform a revaluation of "Land and buildings". In 2024, the management assessed the value differences as insignificant and no revaluation was performed.

As a result of the revaluation in 2025, the value of "Land and Buildings" located in Estonia increased by 9,293 thousand euros which was recognized through revaluation reserve and decreased through the income statement in the amount of 132 thousand euros. As a result of the revaluation in 2025 the value of "Land and buildings" located in Latvia increased by 1,006 thousand euros, which was recognized through revaluation reserve. As a result of the revaluation in 2025 the value of "Land and buildings" located in Lithuania increased by 873 thousand euros, which was recognized through revaluation reserve.

The following table analyses the non-financial assets (property) carried at fair value, by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets (Level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (Level 2);
- inputs for the asset that are based on observable market data (Level 3).

The fair value of "Land and building" is determined using valuation techniques. The valuation technique uses observable inputs as much as they are available and uses as little as possible Group Management's assessments. The "Land and buildings" are classified as level 2 if all significant inputs which are basis for determining the fair value are observable. To determine the value of "Land and buildings" located in Estonia, the valuations of a certified independent real estate expert were used in respect of 15 properties in 2025 (2024: 10 properties) and for 10 properties (2024: 13 properties), the same expert also provided an expert opinion with regard to the discount and capitalisation rates or was used comparable transactions method. The discount rates used for estimation were 7.9%-10.0% (2024: 8.0%-11.0%) depending on the location of the property and the rental growth rates were 1.0%-2.5% (2024: 1.0%-2.5%). For the purpose of estimating the value of "Land and buildings", the rental agreements in force have been used for determining the input of the rental price, which management believes correspond to the market conditions.

For estimating the value of "Land and buildings" located in Latvia, a certified independent real estate expert provided an expert opinion with regard to the discount and capitalisation rates, and valuation was performed internally in respect of five properties in 2025. In 2024, for estimating the value of "Land and buildings" located in Latvia, the valuations of a certified independent real estate expert were used in respect of 5 properties. The discount rate used for valuation was 9.0% (2024: 7.5%-9.0%) and the rental growth rates were 2.0%-2.5% (2024: 2.0%-2.5%).

To determine the value of "Land and buildings" located in Lithuania, the valuations of a certified independent real estate expert were used in respect of one property in 2025. The discount rate used for valuation was 9.4% and the rental growth rate was 2.5%. As a result of valuation, the change in the fair value of "Land and buildings" located in Lithuania was not identified in 2024.

The Group's non-financial assets (properties) carried at fair value are classified as level 3.

In thousands of euros	**Fair value at 31 December 2025**	**Valuation method**	**Unobservable inputs**	**Range of unobservable inputs (eur)**	**Relationship of unobservable inputs to fair value**
PPE items in Estonia, for which an expert opinion was provided	122,244	Discounted cash flow method	Lease price per month per square metre	9.84-19.66	The higher the price per square metre, the higher the fair value
PPE items in Estonia, for which estimates were provided by experts in respect of discount and capitalisation rates	46,822	Discounted cash flow method	Lease price per month per square metre	8.8-13.9	The higher the price per square metre, the higher the fair value
Remaining PPE items in Estonia	22,186	Discounted cash flow method	Lease price per month per square metre	7.7-9.2	The higher the price per square metre, the higher the fair value
Remaining PPE items in Estonia	3,253	Comparable transactions method	Comparison of the property with similar sold properties		
PPE items in Latvia, for which estimates were provided by experts in respect of discount and capitalisation rates	13,400	Discounted cash flow method	Lease price per month per square metre	3.18-12.14	The higher the price per square metre, the higher the fair value
Remaining PPE items in Latvia	17	Comparable transactions method	Comparison of the property with similar sold properties		
Item in Lithuania, for which an expert opinion was provided	11,700	Discounted cash flow method	Lease price per month per square metre	11.14	The higher the price per square metre, the higher the fair value
Total	**219,622**				

In thousands of euros	Fair value at 31 December 2024	Valuation method	Unobservable inputs	Range of unobservable inputs (eur)	Relationship of unobservable inputs to fair value
PPE items in Estonia, for which an expert opinion was provided	53,380	Discounted cash flow method	Lease price per month per square metre	8.12-13.62	The higher the price per square metre, the higher the fair value
PPE items in Estonia, for which estimates were provided by experts in respect of discount and capitalisation rates	111,934	Discounted cash flow method	Lease price per month per square metre	9.84-19.66	The higher the price per square metre, the higher the fair value
Remaining PPE items in Estonia	24,721	Discounted cash flow method	Lease price per month per square metre	7.7-9.2	The higher the price per square metre, the higher the fair value
PPE items in Latvia, for which an expert opinion was provided	12,805	Discounted cash flow method	Lease price per month per square metre	3.1-11.9	The higher the price per square metre, the higher the fair value
Remaining PPE items in Latvia	19	Comparable transactions method	Comparison of the property with similar sold properties		
Item in Lithuania, for which an expert opinion was not provided	1,877	Comparable transactions method	Comparison of the property with similar sold properties		
Total	**204,736**				

Had the non-current assets been accounted for at cost, the carrying amount of revalued items of property, plant and equipment would have been as follows:

31.12.2025 98,578 thousand euros

31.12.2024 89,694 thousand euros

Determination of recoverable amounts of "Buildings under construction"

During the reporting year, the valuation of 16 "Assets under Construction" in Estonia (2024: 13 assets) was based on assessments by an independent certified property valuer, and for 10 assets (2024: 11 assets) an expert opinion on discount and capitalisation rates was obtained from a valuer or the valuation was carried out based on comparable data. During the reporting year, no valuations were performed for "Assets under Construction" in Latvia (2024: 3 assets). In 2024, assessments by an independent certified property valuer were used for five "Assets under Construction" in Latvia.

In the reporting year, discount rates of 8.0%–10.0% (2024: 8.0%–11.0%) were applied in the valuation of "Assets under Construction" in Estonia, depending on the location of the asset, and rental income growth rates of 1.0%–3.0% (2024: 1.0%–3.0%). Fair value was determined using the discounted cash flow method. In determining rental price and vacancy inputs, the rental rate agreed in lease agreements with independent tenants and vacancy rates determined by certified valuers for completed properties were used. In 2024, the comparable transactions method was used to determine the fair value of "Assets under Construction" in Latvia.

As a result of impairment testing carried out at the end of the reporting period, no changes in value were identified for "Assets under Construction" located in Estonia. In 2024, a decrease in value of 50 thousand euros was recognised for one asset. In 2025, a decrease in value of 4 thousand euros was recognised for one "Asset under Construction" located in Latvia (2024: 362 thousand euros), and in 2024 the reversal of previously recognised impairments amounting to 119 thousand euros was required for three assets. "Assets under Construction" located in Lithuania, with a carrying amount of zero euros as at 31 December 2025 (31 December 2024: 633 thousand euros), were not revalued upward or downward during the reporting period or in 2024.

Carrying amounts of "Buildings under construction" (Level 3):

In thousands of euros	Number of items 31.12.2025	31.12.2025	Number of items 31.12.2024	31.12.2024
PPE items in Estonia, for which an expert opinion was provided	16	1,651	13	575
PPE items in Estonia, for which an internal estimate was provided	10	6,543	11	384
Remaining PPE items in Estonia	11	4,594	10	5,666
PPE items in Latvia, for which an expert opinion was provided	0	0	5	3,558
Remaining PPE items in Latvia	8	6,012	3	2,454
PPE item in Lithuania	0	0	1	633
Total	**45**	**18,800**	**43**	**13,270**

As at 31.12.2025 the cost of fully amortized non-current assets (machinery, equipment and other fittings) in use was 64,416 thousand euros (2024: 56,251 thousand euros).

As at 31.12.2025 property, plant and equipment with the carrying value of 168,031 thousand euros (2024: 152,598 thousand euros) was used as collateral for the borrowings. More detailed information is disclosed in Note 25.

Note 14 Intangible assets

in thousands of euros

	Goodwill	Trade-mark	Beneficial agree-ments	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 13)	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	1,475	1,475
Amortisation	0	-295	-17	-519	-831
31.12.2025					
Cost	19,049	2,243	120	9,459	30,871
Accumulated amortisation and impairment	0	-1,743	-83	-2,616	-4,442
Carrying value	**19,049**	**500**	**37**	**6,843**	**26,429**

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 1,475 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 was 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.

Impairment tests of goodwill and other intangible assets were carried out as at 31 December 2025 and 2024. Goodwill is allocated to cash generating units of the Group by the following segments:

in thousands of euros	**31.12.2025**	**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 on the basis of 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.

The value in use calculations are based on the following assumptions:

31.12.2025	**Car trade**	**Supermarkets**	**Security**
Operating profit margin during next 5 years	4.74% - 5.53%	1.04% - 3.42%	4.5 %- 5.74%
Discount rate	8.94%	8.52%	12.57%
Sales growth during next 5 years	3.8% - 31.6%	3.0%- 5.0%	5.1% - 12.4%
Future growth rate*	2.5%	2.5%	2.0%

**Future growth rate is estimated cash flow growth after the fifth year.*

31.12.2024	**Car trade**	**Supermarkets**	**Security**
Operating profit margin during next 5 years	4.92%-5.95%	0.28% - 3.06%	2.63% -4.27%
Discount rate	9.24%	8.07%	12.38%
Sales growth during next 5 years	2.6% - 9.8%	3.0%	1.8% - 12.9%
Future growth rate*	2.5%	2.5%	2.0%

**Future growth rate is estimated cash flow growth after the fifth year.*

Pre-tax discount rates reflecting the risks associated with the relevant business segment have been used. The used weighted average growth rates are based on the experience of the Group and assessment of the economic environment.

Management estimates that the assumptions used in the impairment test are realistic and rather conservative. Management estimates that any reasonable change in assumptions does not materially affect the results of value in use calculations.

31.12.2025	**Car trade**	**Supermarkets**	**Security**
Difference between the carrying amount and recoverable amount of the cash generating unit (in thousands of euros)	97,278	13,808	9,702
Reasonably possible change in the assumptions, which would cause the recoverable amount to be equal to the carrying amount:			
Decrease in the average sales growth	0.08%	0.46%	0.11%
Decrease of the average operating profit margin	3.08 pp	1.50 pp	3.62 pp
31.12.2024			
Difference between the carrying amount and recoverable amount of the cash generating unit (in thousands of euros)	108,710	29,493	5,968
Reasonably possible change in the assumptions, which would cause the recoverable amount to be equal to the carrying amount:			
Decrease in the average sales growth	0.55%	1.03%	0.83%
Decrease of the average operating profit margin	3.79 pp	3.19 pp	2.41 pp

Note 15 Interest bearing borrowings

in thousands of euros

	31.12.2025	31.12.2024
Short-term borrowings		
Overdraft	4,084	4,797
Bank loans	32,129	12,157
Lease liabilities (Note 16)	18,554	18,852
Other borrowings	8,769	8,630
Total short-term borrowings	**63,536**	**44,436**

	31.12.2025	31.12.2024
Long-term borrowings		
Bank loans	92,424	111,298
Lease liabilities (Note 16)	154,858	153,925
Other borrowings	9,660	14,735
Total long-term borrowings	**256,942**	**279,958**
Total borrowings	**320,478**	**324,394**

Borrowings received

	2025	2024
Bank loans	12,210	27,690
Other borrowings	5,955	10,463
Total borrowings received	**18,165**	**38,153**

Borrowings repaid

	2025	2024
Overdraft	713	2,564
Bank loans	11,112	13,073
Lease liabilities	18,188	17,754
Other borrowings	10,892	9,240
Total borrowings repaid	**40,905**	**42,631**

Bank loan agreements are concluded in euros. Information on pledged assets is disclosed in Note 25. Management estimates that the carrying amount of the Group's financial liabilities does not significantly differ from their fair value (Note 4).

As of 31.12.2025, the repayment dates of bank loans are between 02.01.2026 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 3.22% (2024: 4.60%).

Lease agreements that form lease liabilities have been concluded for the term until 01.09.2045. The lease obligation recognised in the balance sheet is recognised in accordance with IFRS 16, the discount uses an alternative loan interest rate at the time of the settlement or the initial application of IFRS 16. Weighted average interest rate used was 2.97% (31.12.2024: 2.79%).

Net debt reconciliation
in thousands of euros

	31.12.2025	31.12.2024
Cash and cash equivalents (Note 5)	29,516	45,454
Short-term borrowings	-63,536	-44,436
Long-term borrowings	-256,942	-279,958
Net debt	**-290,962**	**-278,940**
Cash and cash equivalents (Note 5)	29,516	45,454
Gross debt – fixed interest rates	-173,412	-172,777
Gross debt – variable interest rates	-147,066	-151,617
Net debt	**-290,962**	**-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)	-15,938	713	9,438	23,970	18,183
Interest accrued	0	0	-5,600	-5,782	-11,382
Revaluation of lease liabilities	0	0	0	-18,823	-18,823
Net debt 31.12.2025	**29,516**	**-4,084**	**-142,982**	**-173,412**	**-290,962**

Note 16 Lease agreements

Group is the lessee

Lease liabilities (according to IFRS 16 'Leases') recorded in the Group's consolidated financial reports are presented below.

in thousands of euros	31.12.2025	31.12.2024
Lease liability recognised in the statement of financial position	**173,412**	**172,777**
- short-term lease liabilities (Note 15)	18,554	18,852
- long-term lease liabilities (Note 15)	154,858	153,925

The Group's consolidated statement of profit or loss and other comprehensive income includes the following amounts relating to leases:

in thousands of euros	2025	2024
Interest expense (included in finance cost)	5,782	5,170
Expense relating to leases of low-value assets that are not short-term leases	1,012	902
Expense relating to short-term leases (included in operating expenses)	754	839
Depreciation charge for right of use assets (Note 13)	20,259	20,376
Income on subleases	1,408	1,366
The total cash outflow for leases	23,970	22,924

Subleases of buildings leased under operating lease terms:

Future minimum lease payments under non-cancellable subleases:

in thousands of euros	31.12.2025	31.12.2024
within 1 year	3,116	2,355
between 1 and 5 years	7,646	6,663
after 5 years	20	754
Total	**10,782**	**9,772**

Group as the lessor – operating lease agreements

Rental income received consists of income received for the leasing out of premises recorded under investment property, as well premises that are recorded under Group's property, plant and equipment (see also Note 12).

Future minimum lease payments under non-cancellable operating leases (other than the sublease payments mentioned above):

in thousands of euros	31.12.2025	31.12.2024
within 1 year	6,425	7,378
between 1 and 5 years	20,775	22,647
after 5 years	16,601	18,117
Total	**43,801**	**48,142**

Most lease agreements have been concluded for the term of 7 to 10 years and the changes in lease term and conditions are renegotiated before the end of the lease term. Lease agreements with no specified term are expected to be valid for at least 5 years from the conclusion of the agreement and are cancellable with a 1–3-month advance notice.

The Group's leasing activities and how these are accounted for

The group leases various offices, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below. Contracts do not include non-lease components. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Note 17 Trade and other payables

in thousands of euros

	31.12.2025	31.12.2024
Trade payables	69,365	74,639
Payables to related parties (Note 26)	4,292	3,549
Other accrued expenses	315	629
Tenant security deposits	2,109	2,664
Total financial liabilities from balance sheet line "Trade and other payables" (Note 4)	**76,081**	**81,481**
Taxes payable (Note 18)	13,102	13,883
Employee payables	11,097	11,399
Prepayments	4,540	4,065
Short-term provisions	135	169
Total trade and other payables	**104,955**	**110,997**
Long term tenant security deposits	1,338	1,285
Other long term liabilities	48	0
Total long term trade and other payables	**1,386**	**1,285**

Note 18 Taxes

in thousands of euros

	31.12.2025		31.12.2024	
	Prepaid taxes	Taxes payable	Prepaid taxes	Taxes payable
Prepaid taxes (Note 6)	238	0	73	0
Value added tax	0	6,164	0	7,030
Personal income tax	0	1,962	0	1,943
Social security taxes	0	4,388	0	4,383
Corporate income tax	0	135	0	104
Unemployment insurance	0	281	0	278
Mandatory funded pension	0	172	0	145
Total taxes (Note 17)	**238**	**13,102**	**73**	**13,883**

Group's deferred income tax asset as at 31 December 2025 and 31 December 2024 is recorded in the balance sheet in the amount of 27 thousand euros and 24 thousand euros respectively. As of 31.12.2025 deferred tax liability on dividends in the amount of 6,801 thousand euros (31.12.2024: 7,939 thousand euros) and deferred income tax liability arising from temporary differences in Lithuania in the amount of 92 thousand euros is recorded in the balance sheet. See also Note 20.

in thousands of euros

	2025	2024
Corporate income tax from payments to owners:		
- Income tax on dividends paid (Note 19)	7,824	5,312
Corporate income tax expense arising from foreign subsidiaries:		
- Corporate income tax payable	112	108
Deferred income tax liability on dividends:		
- Deferred income tax liability	6,801	7,939
Deferred income tax liability arising from temporary differences	92	0

Note 19 Share capital

As of 31.12.2025 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.

The Chairman of the Management Board of TKM Grupp AS proposes to the General Meeting of Shareholders to pay dividends in the amount of 24,438 thousand euros, or 0.60 euros per share out of retained earnings accumulated until 31 December 2025.

Information about contingent income tax liability, which would arise from the distribution of profit is disclosed in Note 29.

Note 20 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. With regard to 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

2025	Supermar-kets	Depart-ment stores	Car trade	Security	Real es-tate	Interseg-ment transac-tions	Impact of lease ac-count-ting	Total seg-ments
External revenue	**611,931**	**103,001**	**176,946**	**20,084**	**7,686**	**0**	**0**	**919,648**
Inter-segment revenue	1,122	5,093	337	6,524	14,986	-28,062	0	0
Total revenue	613,053	108,094	177,283	26,608	22,672	-28,062	0	919,648
EBITDA	**24,237**	**3,418**	**8,122**	**634**	**17,036**	**0**	**23,970**	**77,417**
Segment depreciation and impairment losses (Note 13,14)	-11,769	-3,165	-1,744	-591	-4,967	0	-20,259	-42,495
Operating profit/loss	**12,468**	**253**	**6,378**	**43**	**12,069**	**0**	**3,711**	**34,922**
Finance income (Note 23)	801	1,012	44	1	1,164	-2,571	0	451
Finance income on shares of associates (Note 10)	0	297	0	0	0	0	0	297
Finance costs (Note 23)	-1,076	-2,064	-693	-85	-4,215	2,571	-5,782	-11,344
Income tax* (Note 18)	-2,691	0	-1,390	0	-2,718	0	0	-6,799
Net profit/loss	**9,502**	**-502**	**4,339**	**-41**	**6,300**	**0**	**-2,071**	**17,527**
incl. in Estonia	9,502	-502	4,083	-41	5,444	0	-2,071	16,415
incl. in Latvia	0	0	241	0	259	0	0	500
incl. in Lithuania	0	0	15	0	597	0	0	612
Segment assets	**158,367**	**84,525**	**48,676**	**9,422**	**323,180**	**-83,163**	**156,968**	**697,975**
Segment liabilities	**104,831**	**57,238**	**20,703**	**6,899**	**122,540**	**-51,401**	**173,412**	**434,222**
Segment investments in property, plant and equip-ment (Note 13)	4,075	1,540	2,620	439	14,801	0	0	23,475
Segment investments in in-tangible assets (Note 14)	110	1,345	17	3	0	0	0	1,475
Decrease in value through profit or loss (Note 13)	0	0	0	0	136	0	0	136
Increase in value through re-valuation reserve of prop-erty, plant and equipment (Note 13)	0	0	0	0	11,172	0	0	11,172
Fair value adjustment of in-vestment property (Note 12)	0	0	0	0	440	0	0	440

In thousands of euros

2024	Supermar-kets	Depart-ment stores	Car trade	Security	Real es-tate	Interseg-ment transac-tions	Impact of lease ac-count-ting	Total seg-ments
External revenue	**610,390**	**104,175**	**200,833**	**21,859**	**7,311**	**0**	**0**	**944,568**
Inter-segment revenue	1,144	4,861	395	6,580	14,640	-27,620	0	0
Total revenue	611,534	109,036	201,228	28,439	21,951	-27,620	0	944,568
EBITDA	**29,342**	**3,730**	**13,603**	**1,008**	**20,141**	**0**	**22,924**	**90,748**
Segment depreciation and impairment losses (Note 13,14)	-12,341	-2,903	-1,631	-641	-5,282	0	-20,376	-43,174
Operating profit/loss	**17,001**	**827**	**11,972**	**367**	**14,859**	**0**	**2,548**	**47,574**
Finance income (Note 23)	1,119	1,651	58	2	1,693	-4,009	0	514
Finance income on shares of associates (Note 10)	0	281	0	0	0	0	0	281
Finance costs (Note 23)	-2,080	-3,099	-909	-139	-5,501	4,009	-5,170	-12,889
Income tax* (Note 18)	-564	0	-1,615	0	-5,824	0	0	-8,003
Net profit/loss	**15,476**	**-340**	**9,506**	**230**	**5,227**	**0**	**-2,622**	**27,477**
incl. in Estonia	15,476	-340	8,563	230	2,082	0	-2,622	23,389
incl. in Latvia	0	0	376	0	3,272	0	0	3,648
incl. in Lithuania	0	0	567	0	-127	0	0	440
Segment assets	**161,352**	**87,057**	**54,592**	**10,211**	**321,962**	**-86,892**	**158,404**	**706,686**
Segment liabilities	**115,317**	**59,988**	**23,958**	**7,647**	**120,601**	**-55,130**	**172,777**	**445,158**
Segment investments in property, plant and equip-ment (Note 13)	6,680	4,338	1,460	409	21,176	0	0	34,063
Segment investments in in-tangible assets (Note 14)	0	1,987	2	10	1	0	0	2,000
Impairment of property, plant and equipment through profit or loss (Note 13)	0	0	0	0	-293	0	0	-293
Fair value adjustment of in-vestment property (Note 12)	0	0	0	0	2,429	0	0	2,429

*- income tax is allocated based on which subsidiary bears income tax expense on distribution of dividends and deferred income tax.

Inter-segment transactions in line segment assets comprise inter-segment receivables in the amount of 3,917 thousand euros (2024: 5,802 thousand euros), loans granted in the amount of 47,484 thousand euros (2024: 49,328 thousand euros) and investments in subsidiaries in the amount of 31,762 thousand euros (2024: 31,762 thousand euros).

Inter-segment transactions in line segment liabilities comprise inter-segment short-term liabilities in the amount of 3,917 thousand euros (2024: 5,802 thousand euros) and inter-segment borrowings in the amount of 47,484 thousand euros (2024: 49,328 thousand euros).

External revenue according to types of goods and services sold

in thousands of euros

	2025	2024
Retail revenue	818,028	828,905
Wholesale revenue	45,362	58,387
Rental income	11,831	11,385
Revenue from rendering services	44,427	45,891
Total revenue	**919,648**	**944,568**

External revenue by client location

in thousands of euros

	2025	2024
Estonia	821,611	847,095
Latvia	59,949	59,360
Lithuania	38,088	38,113
Total	**919,648**	**944,568**

Distribution of non-current assets* by location of assets

in thousands of euros

	31.12.2025	31.12.2024
Estonia	507,895	503,953
Latvia	20,354	25,239
Lithuania	13,536	2,906
Total	**541,785**	**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 revenue.

Note 21 Services expenses

in thousands of euros

	2025	2024
Rental expenses	754	839
Heat and electricity expenses	12,121	12,845
Expenses related to premises	11,526	11,322
Cost of services and materials related to sales	7,650	7,369
Marketing expenses	10,477	10,292
Other operating expenses	5,198	5,466
Computer and communication costs	8,884	8,340
Expenses related to personnel	5,044	5,030
Total services expenses	**61,654**	**61,503**

Note 22 Staff costs

in thousands of euros

	2025	2024
Wages and salaries	88,577	85,327
Social security taxes	27,865	26,914
Total staff costs	**116,442**	**112,241**
Average number of employees converted to full-time equivalents	5,047	5,046
Average number of employees by type of employment:		
Person employed under an employment contract	*4,743*	*4,769*
Person providing services under a contract under the law of obligations, excluding a self-employed person	*297*	*270*
Member of the management or supervisory body of a legal entity	*7*	*7*

Staff costs also include accrued holiday pay as well as bonuses for 2025 but not yet paid.

Note 23 Finance income and costs

in thousands of euros

Finance income

	2025	2024
Interest income from cash and cash equivalents	77	99
Interest income from group account	367	412
Other finance income	7	3
Total finance income	**451**	**514**

Finance costs

	2025	2024
Interest expense of bank loans	-4,648	-6,436
Interest expense of lease liabilities	-5,782	-5,170
Interest expense of other loans	-739	-1,128
Other finance costs	-175	-155
Total finance costs	**-11,344**	**-12,889**

See also Note 20.

Note 24 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 during the year. As the Company does not have potential ordinary shares, the diluted earnings per share equal basic earnings per share.

	2025	2024
Net profit (in thousands of euros)	17,527	27,477
Weighted average number of shares	40,729,200	40,729,200
Basic and diluted earnings per share (euros)	0.43	0.67

Note 25 Loan collateral and pledged assets

in thousands of euros

The loans of Group entities have the following collateral with their carrying amounts:

	31.12.2025	31.12.2024
Land and buildings (Note 13)	148,653	130,197
Machinery and equipment (Note 13)	19,378	21,873
Building under construction (Note 13)	870	528
Investment property (Note 12)	69,695	68,799
Inventories (Note 8)	1,608	66

Note 26 Related party transactions

in thousands of euros

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

a. owners (Parent company and the persons controlling or having significant influence over the Parent);
b. associates;
c. other entities in the Parent company consolidation group;
d. management and supervisory boards of Group companies;
e. immediate family member 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.

TKM Grupp AS has purchased and sold goods, services and non-current assets as follows:

	Purchases 2025	Sales 2025	Purchases 2024	Sales 2024
Parent company	285	385	254	420
Entities in the Parent company consolidation group	32,260	4,771	32,486	4,887
Members of management and supervisory boards	36	97	0	88
Other related parties	105	10	98	24
Total	**32,686**	**5,263**	**32,838**	**5,419**

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

Other related parties in the table above are companies that are related with members of management and supervisory board.

Balances with related parties:

	31.12.2025	31.12.2024
Receivables from entities in the Parent company consolidation group	368	792
Total receivables from related parties (Note 7)	**368**	**792**

	31.12.2025	31.12.2024
Parent company	41	26
Entities in the Parent company consolidation group	4,249	3,520
Other related parties	2	3
Total liabilities to related parties (Note 17)	**4,292**	**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.

Group account

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 earned interest income on its deposits of available funds in the amount of 367 thousand euros, average interest rate 1.26% (2024: in the amount of 412 thousand euros, average interest rate 2.58%). As at 31 December 2025 and 31 December 2024, the Group had not deposited any funds through head group. In 2025 and 2024, the group did not used available funds of head group and did not pay interest. 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 companies belonging to TKM Group for the reporting year including wages, social security taxes, bonuses and car expenses, amounted to 3,187 thousand euros (2024: 3,248 thousand euros). Short term benefits to supervisory boards' members of the companies belonging to TKM Grupp AS in reporting year including social taxes amounted to 995 thousand euros (2024: 949 thousand euros).

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

Note 27 Interests of the members of the Management and Supervisory Board

As at 31.12.2025, the following members of the Management and Supervisory Board own or represent the shares of TKM Grupp AS (either through parent company of the Group NG Investeeringud OÜ or individually):

Jüri Käo	Represents 4,77,508 (11.73%) shares of TKM Grupp AS
Enn Kunila	Represents 4,699,138 (11.54%) shares of TKM Grupp AS
Raul Puusepp	Owns 19,000 (0.04665%) shares of TKM Grupp AS
Gunnar Kraft	Owns 15,654 (0.0384%) shares of TKM Grupp AS and represents 31,644 (0.078%) shares of TKM Grupp AS

As at 31.12.2024, the following members of the Management and Supervisory Board own or represent the shares of TKM Grupp AS (either through parent company of the Group NG Investeeringud OÜ or individually):

Jüri Käo	Represents 4,77,508 (11.73%) shares of TKM Grupp AS
Enn Kunila	Represents 4,699,138 (11.54%) shares of TKM Grupp AS
Raul Puusepp	Owns 17,000 (0.0417%) shares of TKM Grupp AS
Gunnar Kraft	Owns 15,654 (0.0384%) shares of TKM Grupp AS and represents 31,644 (0.078%) shares of TKM Grupp AS

Note 28 Shareholders with more than 5% of the shares of TKM Grupp AS

Shareholders	31.12.2025 Ownership interest	31.12.2024 Ownership interest
OÜ NG Investeeringud (Parent)	67.10%	67.10%

As at 31 December 2025, 68.75% of the shares (31 December 2024: 68.75%) of NG Investeeringud OÜ are owned by NG Kapital OÜ, which is the ultimate controlling party of TKM Grupp AS.

Note 29 Contingent liabilities

Contingent liability relating to income tax on dividends

As of 31 December 2025, the retained earnings of TKM Grupp AS were 124,228 thousand euros (31 December 2024: 130,466 thousand euros). Payment of dividends to owners is accompanied by income tax expense 22/78 on the amount paid as net dividends. Hence, of the retained earnings existing as of the balance sheet date, the owners can be paid 96,898 thousand euros as dividends (31 December 2024: 101,764 thousand euros) and the payment of dividends would be accompanied by income tax on dividends in the amount of 27,330 thousand euros (31 December 2024: 28,702 thousand euros).

Contingent liabilities relating to bank loans

Regarding the loan agreements in the amount of 131,890 thousand euros (2024: 128,565 thousand euros), the borrower is required to satisfy certain financial ratios such as debt to EBITDA ratio (EBITDA – earnings before interest, taxes, depreciation and amortisation) or debt-service coverage ratio (DSCR or EBITDA for the reporting period divided by borrowings payable in the reporting period) pursuant to the terms and conditions of the loan agreement. As of the balance sheet date, 31 December 2025, there was no breach in the financial covenants.

Contingent liabilities relating to the Tax Board

The tax authorities may at any time inspect the books and records of the Group within 5 years subsequent to the reported tax year, and may as a result of their inspection impose additional tax assessments and penalties. In 2025 and 2024 the tax authority did not conduct any inspections. The management of the Group is not aware of any circumstances which may give rise to a potential material liability in this respect.

Contingent liabilities relating to lease company

AS Viking Motors, a subsidiary of the Group, has potential liabilities for the repurchase of vehicles from leasing companies at the end of the leasing period for an amount of 22,731 thousand euros (22,669 thousand euros at the end of 2024). AS Viking Motors is obliged to buy the vehicle back if the lessee and the leasing company do not wish to realise the preferential purchasing rights arising from their contract. The book value of the asset (repurchase price) is agreed according to the forecast mileage and the car brand. The Group management estimates that the probability of realisation of the obligation to buy back vehicles is low and the market price of vehicles is higher than the repurchase consideration, so the obligation to buy back does not have a negative impact on the Group. In 2025 and 2024, the Group has not made any loss-making repurchases.

Note 30 Financial information of the Parent company

In accordance with the Accounting Act of Estonia, the separate primary statements of the consolidating entity (Parent company statement of financial position, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity). The Parent company primary statements are prepared using the same accounting methods and measurement bases as those that have been used for preparing the consolidated financial statements except for investment in subsidiaries and associates that are accounted for using equity method.

STATEMENT OF FINANCIAL POSITION

in thousands of euros

	31.12.2025	31.12.2024
ASSETS		
Current assets		
Cash and cash equivalents	1	1
Trade and other receivables	18,272	20,886
Total current assets	**18,273**	**20,887**
Non-current assets		
Investments in subsidiaries	288,382	287,256
Investments in associates	1,860	1,733
Property, plant and equipment	106	117
Intangible assets	2,086	1,637
Total non-current assets	**292,434**	**290,743**
TOTAL ASSETS	**310,707**	**311,630**

LIABILITIES AND EQUITY		
Current liabilities		
Borrowings	20,639	20,243
Trade and other payables	2,014	2,753
Total current liabilities	**22,653**	**22,996**
Non-current liabilities		
Borrowings	17,500	19,167
Total non-current liabilities	**17,500**	**19,167**
TOTAL LIABILITIES	**40,153**	**42,163**
Equity		
Share capital	16,292	16,292
Statutory reserve capital	2,603	2,603
Retained earnings	251,659	250,572
TOTAL EQUITY	**270,554**	**269,467**
TOTAL LIABILITIES AND EQUITY	**310,707**	**311,630**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in thousands of euros

	2025	2024
Revenue	6,080	5,792
Other income	2	4
Other operating expenses	-1,170	-1,012
Staff costs	-5,181	-5,123
Depreciation, amortisation and impairment	-236	-259
Other expenses	-49	-63
Operating loss	**-554**	**-661**
Interest income and expenses	-503	-750
Profit from investments accounted for using the equity method	28,617	31,471
Total finance income and costs	**28,114**	**30,721**
Profit before income tax	**27,560**	**30,060**
NET PROFIT FOR THE FINANCIAL YEAR	**27,560**	**30,060**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**27,560**	**30,060**
Basic and diluted earnings per share (euros)	0.68	0.74

CASH FLOW STATEMENT

in thousands of euros

	2025	2024
CASH FLOWS FROM/USED IN OPERATING ACTIVITIES		
Net profit	27,560	30,060
Adjustments:		
Interest expense	*1,980*	*2,961*
Interest income	*-1,477*	*-2,210*
Profit from investments under equity method	*-28,617*	*-31,471*
Depreciation, amortisation	*236*	*259*
Change in receivables and prepayments related to operating activities	1,980	-2,063
Change in liabilities and prepayments related to operating activities	-740	420
TOTAL CASH FLOWS FROM/USED IN OPERATING ACTIVITIES	**922**	**-2,044**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-36	-56
Purchases of intangible assets	-638	-1,001
Proceeds from sale of intangible assets	0	1,923
Interest received	1,477	2,210
Change in the receivable of group account	1,031	2,535
Dividends received	27,364	30,385
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	**29,198**	**35,996**
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayments of borrowings	-1,667	-1,667
Interest paid	-1,980	-2,961
Dividends paid	-26,473	-29,324
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES	**-30,120**	**-33,952**
TOTAL CASH FLOWS	**0**	**0**
Cash and cash equivalents at beginning of the period	1	1
Cash and cash equivalents at end of the period	1	1
Net increase/decrease in cash and cash equivalents	**0**	**0**

STATEMENT OF CHANGES IN EQUITY

in thousands of euros

	Share capital	Statutory reserve capital	Retained earnings	Total
Balance as of 31.12.2023	**16,292**	**2,603**	**249,836**	**268,731**
Dividends paid	0	0	-29,324	-29,324
Profit for the reporting period	0	0	30,060	30,060
Balance as of 31.12.2024	**16,292**	**2,603**	**250,572**	**269,467**
Dividends paid	0	0	-26,473	-26,473
Profit for the reporting period	0	0	27,560	27,560
Balance as of 31.12.2025	**16,292**	**2,603**	**251,659**	**270,554**

Adjusted unconsolidated equity is used as the basis for verifying compliance with equity requirements set forth in the Commercial Code. The parent company has met the requirements.

Adjusted unconsolidated equity

in thousands of euros	31.12.2025	31.12.2024
Unconsolidated equity of the Parent company	270,554	269,467
Value of subsidiaries and associated companies in the unconsolidated statement of financial position of the parent company (-)	-290,242	-288,989
The value of subsidiaries and associated companies calculated using the equity method (+)	290,242	288,989
Adjusted unconsolidated equity of the parent company	**270,554**	**269,467**

Note 31 Post-balance-sheet events

Automotive segment expansion transaction and transfer of Control

On 7 January 2026, TKM Auto OÜ, a 100% subsidiary of TKM Grupp AS, entered into a share and quota purchase agreement under which it will acquire a 100% ownership interest in Rohe Auto AS, SKO Motors OÜ, and a real estate holding company to be established prior to completion of the transaction. Completion of the transaction is subject to several conditions precedent set out in the agreement, including the completion of certain preparatory actions by the seller.

In management's assessment, and in accordance with the definition of control under IFRS 10, the Group did not have control over the aforementioned entities as at the balance sheet date (31 December 2025), because:

- the conditions precedent for completion of the transaction had not been fulfilled;
- the ownership of the shares and related governance rights had not transferred to the Group;
- the day-to-day operations of the entities remained fully under the seller's control and the buyer had no ability to influence the returns of the entities.

Under IFRS requirements, the transfer of control must be assessed based on IFRS 10, and consolidation begins when the acquirer obtains:

- power – the current ability to direct the relevant activities of the acquiree,
- exposure to variable returns – rights to returns from the acquiree,
- ability to use power to affect returns – the ability to influence those returns through its decisions.

None of these conditions were met as at the balance sheet date. In management's judgment, the transfer of control will take place on the date of completion of the transaction, which is expected to fall within the period from 20 February 2026 to 30 June 2026, at which point the ownership will be transferred to the buyer and the governance bodies of the entities will be reappointed.

In accordance with IAS 10, the signing of the purchase agreement on 7 January 2026 constitutes a non-adjusting post-balance-sheet event because it does not provide evidence of conditions that existed at the balance sheet date. As the event is significant in nature and provides users of the financial statements with important information about the Group's future activities and potential changes in its financial position, the description of the event is disclosed in this note in accordance with IAS 10.

The transaction has no impact on the Group's financial position or profit for the year 2025. Recognition of the transaction in the Group's financial statements will commence in 2026 from the date on which the Group obtains control over the acquirees in accordance with IFRS 10.

Independent Auditor's Report

To the Shareholders of TKM Grupp AS

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of TKM Grupp AS (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 18 February 2026.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 that are relevant to audits of financial statements of public interest entities, and Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation (EU) No 537/2014 and the Code of Ethics (Estonia).

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Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

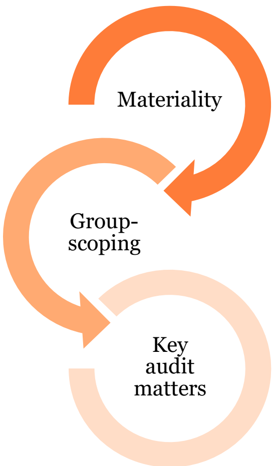
This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: https://nasdaqbaltic.com/statistics/en/instrument/EE0000001105/reports).

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its parent and subsidiaries within the European Union are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59^{1} of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we have provided to the Company and its parent and subsidiaries in the period from 1 January 2025 to 31 December 2025 are disclosed in the management report.

Our audit approach

Overview



- Overall Group materiality is EUR 9.1 million, which represents approximately 1% of the Group's consolidated revenues.
- Specific materiality applied to property, plant and equipment and investment properties is EUR 7 million, which represents approximately 1% of the Group's consolidated total assets.

- For six important Group entities, a full scope audit was performed by the Group audit team. Statutory audits for remaining entities were performed by the non-PwC component auditors under our instructions. We performed specific audit procedures in components where statutory audits were conducted by the non-PwC component auditors.

- Valuation of property, plant and equipment and investment properties.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

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Overall Group materiality	EUR 9.1 million. Specific materiality of EUR 7 million is applied to property, plant and equipment and investment properties.
How we determined it	Approximately 1% of the Group's consolidated revenues. Specific materiality represents approximately 1% of the Group's consolidated total assets.
Rationale for the materiality benchmark applied	We have applied this benchmark, as we consider revenue and revenue-based market share to be a key performance indicator that determines the Group's value and is monitored by the Group's management, investors, analysts and creditors. In addition, we set a specific materiality level of 7 million euros for property, plant and equipment and investment properties. This represents approximately 1% of the Group's consolidated total assets. Specific materiality was set considering the significance of the valuation of property, plant and equipment and investment properties to the Group's financial statements and also to the scope of audit.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment and investment properties (refer to Note 2 "Significant accounting policies adopted in the preparation of the financial statements", Note 3 "Critical accounting estimates and judgements", Note 12 "Investment property" and Note 13 "Property, plant and equipment". The Group's property portfolio includes: • Property, plant and equipment, which include land and buildings in the carrying amount of EUR 219.6 million as at 31 December 2025 (accounted for using the revaluation method). Total increase in value through revaluation reserve from these assets in 2025 was EUR 11.2 million. • Investment properties in the carrying amount of EUR 76.2 million (carried at fair value). The gain from fair value adjustments recorded in	Given the inherent subjectivity involved in the valuation of the Group's property portfolio and the need for deep market knowledge and valuation expertise, we engaged our internal valuation specialists to assist us in our audit of this area. We assessed the qualifications, expertise and objectivity of the external valuers to ensure that the valuers performed their work in accordance with the respective professional valuation standards. We focused our work on the largest properties by value and those where the assumptions used could have a higher risk of differing from the market data. We verified the compliance of the methods used to measure the fair value of real estate objects with the IFRS fair value measurement principles. We compared the major assumptions and estimates such as rental rates, discount rates, capitalisation rates and vacancy rates used by the external valuers and the Group's management to determine the fair

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2025 profit or loss statement was EUR 0.4 million.

The group measures the fair value of the above-mentioned assets using the discounted cash flow method or comparable market transactions.

The valuation of the Group's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental rates for that particular property. The Group's management engages certified third party independent real estate valuers to determine the fair values on a systematic basis for each property and key inputs for valuations in the intervening years.

In determining a property's fair value, the external valuers and the Group's management take into account property-specific information such as the current tenancy agreements and rental income. They apply assumptions for yields and estimated market rent, which are influenced by prevailing market yields and comparable market transactions.

The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material impact, warranted specific audit focus in this area.

value of the property with our internally developed estimated ranges, determined via reference to published benchmarks when applicable.

Where assumptions were outside the expected range or otherwise deemed unusual, or valuations showed unexpected movements not consistent with general trends in the market, we undertook further investigations and challenged the external valuers and Group management by requesting additional information and explanations on inputs and assumptions used.

As a result from our interaction with Group management and the valuers, and from our procedures in respect of the valuation reports we verified whether the valuation of each property took into account its individual characteristics, such as considering the overall quality, geographic location and cash flow potential. We examined whether the assumptions used in the valuation of the properties, given the unique characteristics of the properties, appropriately took into account the impact of recent significant market transactions and market conditions, and whether Group's management and the external valuers have considered and evaluated alternative assumptions before determining the final fair value.

In addition, we assessed whether the disclosures related to the valuation of the property, plant and equipment and the investment property met the requirements set out in IFRS.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's consolidated financial statements comprise the financial information of 20 entities. Based on our risk and materiality assessments, we determined which entities were required to be audited at full scope considering the relative significance of each entity to the Group and the overall coverage obtained over each material line item in the consolidated financial statements. For six of these entities, TKM Grupp AS, Selver AS, Kulinaaria OÜ, Kaubamaja AS, TKM Finants AS and Viking Motors AS, full scope statutory audits were performed by the Group audit team. Statutory audits for the remaining entities were performed by the external component auditors under our instructions. In respect of these entities, we performed additional audit procedures on selected areas (relating primarily to valuation of investment properties, and land and buildings, and testing of material cash and cash equivalents and borrowings balances) giving us the evidence we needed for our opinion on the Group financial statements as a whole. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises the Management report (including the Consolidated Sustainability Statement), the Remuneration Report and Revenue allocation according to the Estonian classification of economic activities (EMTAK) (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information, including the Management report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared (excluding the Consolidated Sustainability Statement) in accordance with the requirements of the Accounting Act of the Republic of Estonia.

In accordance with the Securities Market Act of the Republic of Estonia with respect to the Remuneration Report, our responsibility is to consider whether the Remuneration Report includes the information in accordance with the requirements of Article 135^3 (3) of the Securities Market Act of the Republic of Estonia.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements;
- the Management report (excluding the Consolidated Sustainability Statement) has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia; and
- the Remuneration Report has been prepared in accordance with Article 135^3 (3) of the Securities Market Act of the Republic of Estonia.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report or in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirements

Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged based on our agreement by the Management Board to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of TKM Grupp AS for the year ended 31 December 2025 (the "Presentation of the Consolidated Financial Statements").

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and those charged with governance

The Management Board is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (Estonia) 3000 (revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" (ISAE (EE) 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE (EE) 3000 (revised) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Appointment and period of our audit engagement

We were first appointed as auditors of TKM Grupp AS, as a public interest entity, on 20 May 2009 for the financial year ended 31 December 2009. Our appointment has been renewed by tenders and shareholder resolutions in the intermediate years, representing the total period of our uninterrupted engagement appointment for TKM Grupp AS, as a public interest entity, of 17 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of TKM Grupp AS can be extended for up to the financial year ending 31 December 2028.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Eva Jansen-Diener
Certified auditor in charge, auditor's certificate no. 501

18 February 2026
Tallinn, Estonia

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Independent practitioner's limited assurance report on TKM Grupp AS's Consolidated Sustainability Statement

To the shareholders of TKM Grupp AS

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of TKM Grupp AS (the "Company"), included in chapter Consolidated Sustainability Statement of the Management report (the "Consolidated Sustainability Statement"), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note Double materiality (impacts, risks, and opportunities) assessment; and
- compliance of the disclosures in note Taxonomy Regulation within the Environmental Information section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE (EE) 3000 (Revised)") as adopted by Auditing Activities Oversight Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) (Code of Ethics (Estonia)) as adopted by Auditing Activities Oversight Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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The firm applies International Standard on Quality Management (Estonia) 1 (revised), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Consolidated Sustainability Statement

Management Board of the Company is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note Double materiality (impacts, risks, and opportunities) assessment of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management Board of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in note Taxonomy Regulation within the Environmental Information section of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Management Board determines is necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Consolidated Sustainability Statement

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In reporting forward-looking information in accordance with the ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

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Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE (EE) 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in note Double materiality (impacts, risks, and opportunities) assessment.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and

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- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in note Double materiality (impacts, risks, and opportunities) assessment.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
  - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
  - obtaining an understanding of the roles and responsibilities in the preparation of the Consolidated Sustainability Statement, including communication within the Group and between the Management Board and those charged with governance.
- evaluated whether the information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the Consolidated Sustainability Statement;
- where applicable, compared disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and Management report;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Janno Hermanson
Certified auditor in charge, auditor's certificate no. 570

18 February 2026
Tallinn, Estonia

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PROFIT ALLOCATION PROPOSAL

The retained earnings of TKM Grupp AS are:

Total retained earnings 31 December 2025	124,228 thousand euros

The Chairman of the Management Board of TKM Grupp AS proposes to the General Meeting of Shareholders to pay dividends in the amount of 24,438 thousand euros out of retained earnings accumulated until 31 December 2025.

Raul Puusepp

Chairman of the Management Board

Signed digitally

Tallinn, 19 February 2026

SIGNATURES OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD TO THE ANNUAL REPORT 2025

The supervisory board of TKM Grupp AS has reviewed the 2025 consolidated annual report, prepared by the management board, consisting of the management report, remuneration report, the consolidated financial statements, the independent auditor's report and the profit allocation proposal, and has approved the annual report for presentation on the shareholders' annual general meeting.

Hereby we confirm the correctness of information presented in the consolidated annual report 2025 of TKM Grupp AS.

Management Board

Raul Puusepp

Chairman of the Management Board

Signed digitally

Supervisory board

Jüri Käo

Chairman of the Supervisory Board
Signed digitally

Enn Kunila

Member of the Supervisory Board

Signed digitally

Kristo Anton

Member of the Supervisory Board

Signed digitally

Meelis Milder

Member of the Supervisory Board

Signed digitally

Gunnar Kraft

Member of the Supervisory Board

Signed digitally

Tallinn, 19 February 2026

REVENUE ALLOCATION ACCORDING TO THE ESTONIAN CLASSIFICATION OF ECONOMIC ACTIVITIES (EMTAK)

The revenue of the Group's Parent company is allocated according to the EMTAK codes as follows:

in thousands of euros per year

EMTAK code	Title of EMTAK Group	2025
64211	Holding company's activities	6,080
	Total revenue	**6,080**