



**TKM  
GRUPP**

# **TKM Grupp AS**

## **Consolidated Interim Report for the fourth quarter and 12 months of 2024**

**(unaudited)**

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## COMPANY PROFILE AND CONTACT DETAILS

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

The Company is listed on the Nasdaq Tallinn Stock Exchange.

Registered office:	Kaubamaja 1 10143 Tallinn Republic of Estonia
Registry code:	10223439
Beginning of financial year:	1 January 2024
End of financial year:	31 December 2024
Beginning of interim report period:	1 January 2024
End of interim report period:	31 December 2024
Auditor:	PricewaterhouseCoopers AS
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## MANAGEMENT REPORT

### Management

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

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

### Structure of the company

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

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

The following companies belong to the Group as of December 31, 2024:

		Shareholding as of	Shareholding as of
		31.12.2024	31.12.2023
<b>Selver supermarkets</b>			
Selver AS	Estonia	100%	100%
Kulinaaria OÜ	Estonia	100%	100%
<b>Department stores</b>			
Kaubamaja AS	Estonia	100%	100%
TKM Finants AS	Estonia	100%	100%
OÜ TKM Beauty	Estonia	100%	100%
OÜ TKM Beauty Eesti	Estonia	100%	100%
Rävala Parkla AS	Estonia	50%	50%

		Shareholding as of	Shareholding as of
	Location	31.12.2024	31.12.2023
<b>Car trade</b>			
TKM Auto OÜ	Estonia	100%	100%
KIA Auto AS	Estonia	100%	100%
AS Viking Motors	Estonia	100%	100%
SIA Forum Auto	Latvia	100%	100%
Verte Auto SIA	Latvia	100%	100%
Motus auto UAB	Lithuania	100%	100%
<b>Security segment</b>			
Viking Security AS	Estonia	100%	100%
Walde AS	Estonia	100%	100%
<b>Real estate</b>			
TKM Kinnisvara AS	Estonia	100%	100%
OÜ TKM Kinnisvara Tartu	Estonia	100%	100%
SIA TKM Latvija	Latvia	100%	100%
TKM Lietuva UAB	Lithuania	100%	100%

#### Share market

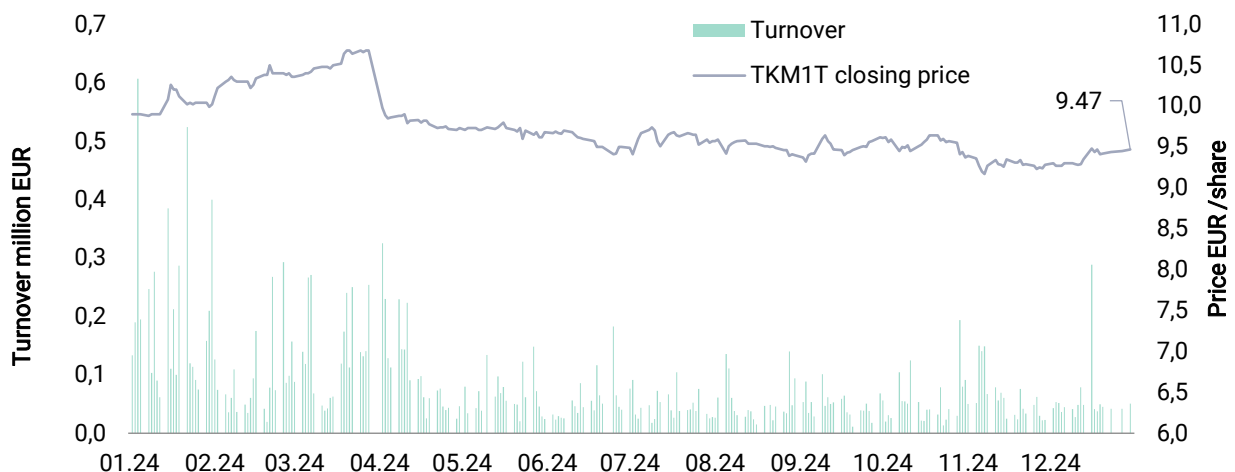
Since 19 August 1997, the shares of the Group have been listed in the Baltic main list of the Nasdaq Tallinn Stock Exchange and is today the oldest listed company in the Baltics. The Group has issued 40,729,200 registered shares, each with the nominal value of 0.40 euros. The shares are freely transferable, no statutory restrictions apply. There are no restrictions on transfer of securities to the company as provided by contracts between the company and its shareholders. We do not have information about contracts between the shareholders restricting the transfer of securities. NG Investeeringud OÜ has direct significant participation. Shares granting special rights to their owners have not been issued. The council of the Group have no right to issue or buy back shares. In addition, there are no commitments between the company and its employees providing for compensation in mergers and acquisitions under article 19' of Stock Market Trade Act.

The share with a price of 9.90 euros at the end of 2023 was closed in the end of December 2024 at the level of 9.47 euros, decreased by 4.3% over the year.

According to the notice of regular annual general meeting of the shareholders published on 21 February 2024, the management board proposed to pay dividends 0.72 euros per share. The general meeting of shareholders approved it.

Share price and trading statistics on the Nasdaq Tallinn Stock Exchange from 01.01.2024 to 31.12.2024.

In euros



SHARE	Q4/24	Q4/23	12M/24	12M/23
Average number of shares (1000 pcs)	40,729.2	40,729.2	40,729.2	40,729.2
Equity capital per share (EUR/share)	6.42	5.67	6.42	5.67
Share's closing price (EUR/share)	9.47	9.90	9.47	9.90
Earnings per share (EUR/share)	0.26	0.31	0.67	0.92

### Risks

Over recent years of economic stagnation and amidst concerns about rising taxes, consumer purchasing behaviour has become notably more rational and cautious. While analysts maintain a cautiously optimistic outlook regarding economic recovery, consumer confidence could still diminish further, exerting additional pressure on consumption. Consumers are increasingly favouring discounted products and discounters. In response, the Group's supermarket segment has adjusted its pricing strategy and brand positioning to better align with customer expectations.

Another significant risk stems from the potential escalation of geopolitical tensions and the associated increase in military threats, which may arise from political developments. Together with the broader Estonian society, we are contributing to the strengthening of Estonia's defence capabilities through an expanded tax base.

### Sustainable entrepreneurship

In the fourth quarter, TKM Group's subsidiaries conducted climate risk assessments. Based on the input provided by the subsidiaries, the Group's Sustainability work group prepared a comprehensive summary of climate-related risks and opportunities for the entire Group.

The assessment of climate risks highlights critical vulnerabilities arising from physical climate changes. The Group identified the most significant physical risks as shortages of components and raw materials caused by changing weather conditions, such as prolonged droughts, floods, and increased frequency of storms leading to property damage. To mitigate these risks, subsidiaries can analyse alternative supplier scenarios and review existing insurance policies to address damages caused by storms.

Another significant aspect of climate risks relates to the transition to a climate-neutral economy. The Group identified the main transition risks as rising energy prices and the potential for producers to fail to comply with climate-related regulations or adopt ineffective strategies, impacting product availability. Energy price increases may result from a transition to renewable energy sources without ensuring sufficient capacity to keep prices reasonable, especially during periods when renewable energy production declines due to adverse weather conditions. Poor strategic decisions by producers may affect the Group's supply chain, for instance, by making high-emission products either too expensive or unavailable. The Group must ensure customer satisfaction by providing alternatives to meet the expectations of clients and end users.

The transition to a climate-neutral economy also presents significant opportunities. For example, increasing the number of electric vehicle charging stations near Selver stores would provide customers with the convenience of charging their vehicles while shopping. Implementing building automation systems contributes to enhanced energy efficiency and improved indoor climate. Changing consumption patterns and investing in niche solutions for their expansion may also offer a competitive advantage in the future.

Climate risks and opportunities are assessed annually by the Group, with the results presented to the Group's Audit Committee. A detailed overview is published in the Group's sustainability report.

### Economic environment

According to Statistics Estonia, the gross domestic product (GDP) decreased by 0.7% in the third quarter of 2024 compared to the same period in the previous year. The most significant positive contribution to GDP came from the information and communication sector, followed by real estate activities, agriculture, forestry, and fishing. Construction and manufacturing had a strong negative impact on the economy. The contribution of trade was moderate but still positive. Analysts suggest that the Estonian economy is gradually emerging from recession. Adjustments to the state budget balance, including tax increases, are expected to dampen economic growth in 2025 and 2026. However, declining interest rates and an anticipated increase in external demand are expected to improve growth prospects. According to the latest economic forecast by the Bank of Estonia, economic growth is projected at 1.6% in 2025 and approximately 3% in 2026–2027, with the recovery of exports playing a central role. Household confidence remains low, exerting a significant negative impact on private consumption. Although the average real wage has increased over the year, retail sales volumes continue to decline. According to Statistics Estonia, the Estonian consumer price index rose by 3.5% in 2024 compared to the average in 2023. The rise in prices was most influenced by increases in the cost of food and non-alcoholic beverages, accounting for 23.7% of the total increase.

Over the year, food and non-alcoholic beverage prices rose by 3.2%, with the rate of increase accelerating in the last months of the year; in the fourth quarter, the price rise reached 5.5%. Clothing and footwear prices rose by 0.9% over the year, but price increases slowed towards the end of the year, with a 0.1% decrease in the fourth quarter. The pace of price increases is expected to persist in 2025–2026 due to the introduction of new taxes, including VAT, motor vehicle taxes, and excise duties. According to the Bank of Estonia, prices are expected to rise by 4.3% in 2025 and 3.6% in 2026, with approximately one-third of the increase attributable to taxes. Statistics Estonia reported that the average gross monthly salary in the third quarter of 2024 was €1,959, representing an 8.1% increase compared to the same period in the previous year. The Bank of Estonia forecasts wage growth of 5.9% in 2025, slightly exceeding the anticipated inflation rate.

According to Statistics Estonia, the total retail sales in current prices in Estonia fell by 0.7% in the first eleven months of 2024. Growth continued in vehicle maintenance and repair services, which increased by 10.9%. The sale of motor vehicles, parts, and accessories rose by 0.8%. Revenue from non-specialised stores, predominantly selling food products, grew by 0.8% during the first eleven months of the year. Due to high price increases, the volume of retail sales has been declining for nearly two consecutive years. Preliminary data indicate that the volume of new passenger car sales in the Baltics grew by 6% in 2024. According to AMTEL (the Estonian Association of Automotive Sales and Services Companies), 25,386 new passenger cars were sold in Estonia in 2024, representing a 1.2% increase compared to the previous year. Car sales in Latvia declined by 7.2%, while in Lithuania, sales rebounded, achieving 8.9% growth. Sales volumes for the Group's brands, KIA and Škoda, increased in the Lithuanian market.

## Economic results

### Financial ratios

In million euros EUR	Q4/24	Q4/23	Change %	12M/24	12M/23	Change %
<b>Revenue</b>	<b>256.6</b>	<b>252.6</b>	<b>1.6%</b>	<b>944.6</b>	<b>947.3</b>	<b>-0.3%</b>
Selver supermarkets	164.1	165.0	-0.5%	610.4	620.2	-1.6%
Department stores	33.2	34.9	-4.7%	104.2	110.5	-5.7%
Car trade	51.2	45.7	12.0%	200.8	194.4	3.3%
Security	6.0	5.3	13.5%	21.9	15.7	39.6%
Real estate	2.1	1.7	23.7%	7.3	6.6	10.8%
<i>Gross profit margin%</i>	<i>27.87%</i>	<i>28.53%</i>	<i>-2.3%</i>	<i>27.50%</i>	<i>27.58%</i>	<i>-0.3%</i>
<b>EBITDA</b>	<b>28.1</b>	<b>26.1</b>	<b>7.8%</b>	<b>90.7</b>	<b>93.0</b>	<b>-2.4%</b>
Selver supermarkets	8.0	11.0	-27.7%	29.3	33.4	-12.3%
Department stores	2.8	3.0	-6.7%	3.7	5.8	-35.6%
Car trade	2.9	2.5	15.4%	13.6	15.4	-11.7%
Security	0.1	0.0	-502.7%	1.0	0.5	96.9%
Real estate	8.3	4.1	99.3%	20.1	16.7	20.4%
IFRS 16	6.1	5.5	11.0%	22.9	21.2	8.4%
<i>margin</i>	<i>10.96%</i>	<i>10.32%</i>	<i>6.1%</i>	<i>9.61%</i>	<i>9.82%</i>	<i>-2.2%</i>
<b>Operating profit</b>	<b>16.6</b>	<b>16.0</b>	<b>4.2%</b>	<b>47.6</b>	<b>52.3</b>	<b>-9.0%</b>
<i>margin</i>	<i>6.48%</i>	<i>6.32%</i>	<i>2.6%</i>	<i>5.04%</i>	<i>5.52%</i>	<i>-8.7%</i>
<b>Net profit</b>	<b>10.5</b>	<b>12.8</b>	<b>-17.8%</b>	<b>27.5</b>	<b>37.4</b>	<b>-26.6%</b>
<i>margin</i>	<i>4.10%</i>	<i>5.07%</i>	<i>-19.1%</i>	<i>2.91%</i>	<i>3.95%</i>	<i>-26.4%</i>
<b>Earnings per share (EUR)</b>	<b>0.26</b>	<b>0.31</b>	<b>-17.8%</b>	<b>0.67</b>	<b>0.92</b>	<b>-26.6%</b>

Key ratios	Q4/24	Q4/23	12M/24	12M/23
Return on equity (ROE)	4.0%	5.6%	10.5%	16.5%
Return on assets (ROA)	1.5%	2.1%	3.9%	6.1%
Quick ratio	1.11	0.93	1.11	0.93
Debt ratio	0.63	0.63	0.63	0.63
Inventory turnover (multiplier)	1.93	2.21	7.15	8.41
Sales revenue per employee (in million euros)	0.053	0.054	0.197	0.201
Average number of employees	4,798	4,706	4,785	4,724

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

The Group's consolidated unaudited sales revenue for the fourth quarter of 2024 was 256.6 million euros, exceeding the previous year's revenue by 1.6%. The unaudited sales revenue for the entire year of 2024 amounted to 944.6 million euros, representing a decline of 0.3% compared to 2023, when sales revenue also totalled 947.3 million euros. The Group's consolidated unaudited pre-tax profit for the fourth quarter of 2024 was 13.2 million euros, marking a 1.0% increase compared to the same period in the previous year. The pre-tax profit for 2024 was 35.5 million euros, a decrease of 17.5% compared to the previous year.

The fourth quarter has traditionally been the most active period for the Group's economic activities. Despite the continued decline in Estonia's retail sector, the Group managed to increase its revenue in the final quarter of 2024 compared to the same period in the previous year. As anticipated, the Estonian car dealer in the Group's automotive segment benefited from a car purchase boom in the fourth quarter, driven by the announcement of the Estonian car tax set to take effect in 2025. Unlike competitors, the Group avoided deep discounts, which contributed to an increase in the automotive segment's profit during the fourth quarter. The security segment demonstrated sound sales growth throughout the reporting year, continuing its strong organic performance in the fourth quarter, when the impact of a companies acquired in the first half of 2023 no longer had any comparison effect. The prolonged cooling of the Estonian economy has influenced consumers to increasingly prefer discounted products, which has put pressure on the margins of retail segments, resulting in a slight decline in margins in the final quarter of 2024 compared to the previous year. The Group's operating expenses remained broadly stable. Marketing costs, driven by increased campaign volumes, and IT expenses related to automation initiatives showed higher growth rates. Continued process efficiency improvements have helped maintain control over labour costs, which grew by 3.2% in the fourth quarter, while the average number of employees increased by 2.0%. Net profit was negatively impacted by the gradual effect of higher loan interest rates and the revaluation of deferred tax liabilities under international accounting standards. Fourth-quarter profit was positively influenced by an extraordinary gain of 2.1 million euros from the sale of two non-core properties in the Group's real estate segment in Latvia.

In the fourth quarter of 2024, Viking Motors, the Estonian car dealer in the Group's car segment, completed a new KIA flagship showroom in Peetri, on the outskirts of Tallinn. Construction of a body shop adjacent to the Peetri showroom is ongoing. At the end of the reporting year, a new KIA showroom was opened in the Bikernieku area of Riga to better serve customers in that part of the city. In Lithuania, work continued in collaboration with TKM Lietuva UAB on the construction of a new KIA-Škoda multi-brand showroom in Vilnius. Earlier development activities in the reporting year included the opening of two new Selver stores. In August, a new Selver store was launched in Rocca al Mare Shopping Centre in Tallinn, followed by the opening of another in Tartu's Raadi district in September. In the department store segment, a new Toidumaailm (Food World) was opened in the Tartu department store in August, offering the best selection of food products in Southern Estonia. Development of a new e-store, closely integrated with the physical stores, also continued. The Partner Kuukaart Instalment and Hire Purchase options are now available in the e-store, providing flexible payment solutions. The department store segment also expanded and updated the I.L.U. store in the Lõunakeskus shopping centre to a new concept. In the real estate segment, a logistics centre in Maardu was completed and became operational at the end of September. The construction cost of the new logistics centre was 20 million euros, and it enhances the Group's supply chain management and logistics services.

At the end of the reporting period, the number of loyal customers exceeded 744 thousand, an increase of 3.3% over the year. The share of loyal customers in the Group's turnover was 86.0% (compared to 86.6% in the 2023). The Partner Kuukaart "buy now, pay later" payment solutions were introduced to the department store e-store at the end



of September, received a warm reception and positive feedback from customers during the fourth quarter. The Instalment option allows customers to split their payments into 3 or 6 equal parts with no additional costs, while the Hire Purchase option allows payments to be spread over up to 36 months.

As of 31 December 2024, the total assets of the Group amounted to 705.4 million euros, an increase of 2.4% compared to the end of 2023, excluding the impact of IFRS 16.

### Selver supermarkets

The consolidated sales revenue of the supermarket business segment for 2024 was 610.4 million euros, a decrease of 1.6% compared to the previous year. The consolidated sales revenue for the fourth quarter was 164.1 million euros, remaining at the previous year's level (a change of -0.5%). The average monthly sales revenue per square metre of selling space was 0.41 thousand euros in 2024 (compared to 0.43 thousand euros in 2023) and 0.43 thousand euros in the fourth quarter (compared to 0.45 thousand euros in 2023). For comparable stores, the average monthly sales revenue per square metre of selling space was 0.41 thousand euros in 2024 (compared to 0.44 thousand euros in 2023) and 0.43 thousand euros in the fourth quarter (compared to 0.45 thousand euros in 2023). A total of 44.4 million purchases were made in stores in 2024, with the number of transactions remaining at the previous year's level (an increase of 0.4%).

The pre-tax profit for the fourth quarter of 2024 was 4.6 million euros, 2.8 million euros lower than the base period. The consolidated pre-tax profit of the supermarket segment for 2024 was 16.0 million euros, a decrease of 4.0 million euros compared to the previous year. The net profit for 2024 totalled 15.5 million euros, declining by 2.9 million euros compared to the previous year. The difference between net profit and pre-tax profit arises from the reallocation of deferred income tax across the Group's business segments.

The comparison base data is influenced by the closure of the segment's largest store, Järve Selver, for renovation in March 2023, as well as the preceding clearance sale. Järve Selver reopened to customers in its renovated form in May. The base data is also affected by the opening of Kurna Selver in August 2023, the closure of WOW Selver ABC in January, and the closure of Punane Selver in May. In 2024, two new Selver stores were opened—one at the end of August in the Rocca al Mare Shopping Centre in Tallinn and another at the end of September in Tartu's Raadi district. The one-off costs associated with the opening of these stores have impacted the profit for 2024.

Selver's sales performance has been influenced by the overall state of the Estonian retail market, where sales volumes have been in decline for the third consecutive year, and consumer confidence remains weak. Low purchasing power and subdued consumer confidence are clearly reflected in the food and essential goods segment. In the first eleven months of 2024, the sales revenue of non-specialised stores, predominantly selling food, tobacco, and alcohol, grew by 0.8%, but volume sales declined by approximately 2.5%. Limited additions to retail space, the closure of two stores, and activities related to pricing perception have resulted in slower sales revenue growth compared to the market average, while ensuring better volume sales performance within the segment. On a positive note, the production volumes of the Central Kitchen, part of the supermarket segment, showed strong growth of nearly 6% in the final quarter of the year. Despite a temporary decline in production volumes during the summer months, annual production volume increased by over 2.5%. To boost customer purchasing activity, the number of discounts offered has been increased, and a "Permanently Good Prices" initiative was launched, featuring approximately 650 products at very competitive prices. In spring, a targeted campaign, "Golden Wednesday," was introduced for customers of retirement age, receiving highly positive feedback from the target group. The 2024 profit has been primarily affected by a decline in goods turnover and a reduction in gross profit from sales, driven by pricing initiatives and an increased share of promotional products in shopping baskets. During the reporting period, prices for nearly all services and materials increased; however, cost-saving measures have helped limit the growth of operating expenses to 3% in a challenging economic environment. Labour costs have remained at the same level as the previous year, thanks to continuous efforts to improve process efficiency.

Product assortment and process optimisation remain key areas of focus, with an emphasis on meeting the goals of the sustainability strategy. The culinary department has transitioned to using recyclable monomaterial packaging for nearly all product categories, bringing the company closer to achieving the goal of 100% recyclable packaging. In addition to product packaging, attention has been directed to transport packaging, with a full transition to reusable plastic pallets for logistics.

As of the end of December, the supermarket segment included 73 Selver stores, 2 Delice stores, a Mobile Store, and a café, with a total sales area of 124.8 thousand square metres. In addition, there is e-Selver, which is the largest online store in Estonia by service area, and the central kitchen, Kulinaaria OÜ, whose product portfolio includes over 400 products.

### Department stores

The sales revenue of the department store business segment for 2024 was 104.2 million euros, representing a 5.7% decline compared to the same period in the previous year. The sales revenue for the fourth quarter was 33.2 million euros, a decrease of 4.7% compared to the prior year. The pre-tax loss of the department store segment for 2024 was 0.3 million euros, which was 2.0 million euros lower than the result for the previous year. The pre-tax profit for the fourth quarter was 1.8 million euros, 7.2% lower than the comparable period in the prior year.

The average sales revenue per square metre of selling space in the department stores for 2024 was 0.32 thousand euros per month, a decrease of 6.6% compared to the same period in the previous year. The economic slowdown that began in 2023 continued into the reporting year, resulting in more aggressive discount campaigns in the first half of the year compared to 2023, which also affected the performance of the department stores. The results of the Tallinn department store were negatively impacted by the ongoing construction of the Old Harbour tram line in the city centre and the closure of the Viru Centre bus terminal, which significantly affected foot traffic. In the Tartu department store, the full renovation of the Toidumaailm (Food World) began at the end of June, leading to a two-month closure of the Tartu Toidumaailm during the summer. On 29 August, a completely redesigned food store with the best selection in Southern Estonia was opened, and foot traffic has increased significantly since the reopening. The autumn season of 2024 was marked by unusually warm weather, with true winter conditions only arriving late in the year, which significantly affected the sales of fashion goods in the fourth quarter. Customers were more measured in their Christmas shopping, starting their holiday purchases early during the major campaigns of the fourth quarter. Nevertheless, during the Christmas season, the department store achieved a record-breaking sale of handcrafted truffles as part of its charitable project, with proceeds donated to the charity foundation "Minu Unistuste Päev" (My Dream Day), which supports the emotional well-being of children with severe illnesses.

In the first quarter, the department store launched a new e-store platform, which significantly improved user convenience and introduced an AI-powered recommendation engine to enhance sales performance. In the fourth quarter, customers were also able to access financial services through the e-store.

The sales revenue of OÜ TKM Beauty Eesti, which operates I.L.U. cosmetics stores, was 2.8 million euros in the fourth quarter of 2024, 2.1% lower than the same period in 2023. The profit for the fourth quarter was 0.1 million euros, which was 0.1 million euros lower than the result for the fourth quarter of 2023. Christmas sales were affected by a general decline in consumer confidence, driven by anticipation of upcoming tax changes, leading to a preference for lower-priced and promotional gifts. The sales revenue for 2024 was 8.7 million euros, an increase of 3.0% compared to 2023. The pre-tax profit for 2024 was 0.2 million euros, which was weaker than the previous year's result by 0.2 million euros. A key event of the year was the expansion of the I.L.U. store in the Lõunakeskus shopping centre, accompanied by updates to the store's concept and product offerings.

### Car trade

The sales revenue of the car trade business segment for 2024 was 200.8 million euros, exceeding the previous year's sales revenue by 3.3%. The fourth-quarter sales revenue of 51.2 million euros surpassed the revenue for the same period in the prior year by 12.0%. A total of 6,619 new vehicles were sold during the year, including 1,878 in the fourth quarter. The pre-tax profit of the segment for 2024 was 11.1 million euros, 16.1% lower than the result for the previous year. The pre-tax profit for the fourth quarter of 2024 was 2.3 million euros, which was 0.4 million euros higher than the profit for the same period in the prior year.

The Baltic car market, which experienced a decline in the first half of the year, achieved an overall growth of 6% for the year, according to preliminary data. This was significantly influenced by a purchasing boom in Estonia ahead of the car tax implementation in 2025. The Group's car segment experienced more modest growth in sales volumes. The car tax applicable to the models sold by the Group is somewhat more competitive, and the Group refrained from engaging in deep price dumping, thereby helping to maintain profitability. In the fourth quarter of the reporting year, the all-new KIA EV3 electric vehicle and the updated EV6 model were introduced to the market. The car tax impact on these models is minimal, which meant consumers were not in a rush to purchase them. In 2025, the KIA EV4 will be added to the portfolio, along with the first electric vans by year-end. Other significant additions include the completely redesigned KIA Ceed family and the refreshed KIA Sportage SUV.

The Group's Estonian dealer, Viking Motors, completed a new KIA flagship showroom in Peetri, on the outskirts of Tallinn, which opened its doors to customers on 2 January 2025. Construction of a body shop next to the Peetri showroom is ongoing. At the end of the reporting year, a new KIA showroom was opened in the Bikernieku area of Riga to better serve customers in that part of the city. In Lithuania, work continued in collaboration with TKM Lietuva UAB on the construction of a new KIA-Škoda multi-brand showroom in Vilnius.

### Security segment

The security segment's sales revenue earned outside the Group in the fourth quarter of 2024 was 6.0 million euros, a growth of 13.5% compared to the same period in the previous year. The segment's pre-tax loss for the fourth quarter amounted to 0.1 million euros, an improvement of 0.1 million euros compared to the same period in the prior year. The security segment's sales revenue earned outside the Group in 2024 was 21.9 million euros, representing a 39.6% increase compared to the previous year. The segment's pre-tax profit for 2024 was 0.2 million euros, an improvement of 0.3 million euros compared to the previous year.

Both turnover and profit growth continued in the fourth quarter, supported by all business areas. Growth was particularly strong in the management centre services sector and in technical project construction. However, there remain more payment difficulties among clients than usual, and price sensitivity has increased. Despite the challenging economic environment, the security segment achieved growth in both turnover and profit over the year and continues on a positive trajectory.

### Real estate

In the 2024, the real estate segment's sales revenue from outside the Group was 7.3 million euros, reflecting an increase of 10.8% compared to the previous year. The sales revenue from outside the Group in the fourth quarter was 2.1 million euros, marking a 23.7% growth compared to the same period in the prior year. The pre-tax profit of the real estate segment for 2024 was 11.1 million euros, an increase of 6.0%. The pre-tax profit for the fourth quarter amounted to 5.5 million euros, representing an improvement of 2.7 million euros compared to the corresponding period in the previous year.

The growth in fourth-quarter sales revenue for the real estate segment was supported by rental income from the logistics centre, which commenced operations at the end of September. To focus on core activities and improve efficiency, the Group's logistics centre is operated by an external professional party with whom the Group has an established long-term partnership. Sales revenue for the quarter decreased in the Latvian real estate business due to the sale of commercial buildings in Ogre and Rezekne, which previously generated external rental income. Annual sales revenue growth was bolstered by the summer launch of the car wash, built as an extension to the petrol station leased to an external party near the Peetri Selver, and the occupancy of commercial spaces in shopping centres by new tenants. Despite the low economic activity, footfall in the shopping centres owned by the real estate segment remained only slightly below the levels of the previous year, with a decline of less than 1%. The decrease in footfall at the Tartu Kaubamaja Centre was linked to the renovation of the ground floor during the summer, during which some stores were partially closed. The last months of the year showed signs of stabilisation in shopping centre footfall, with some months recording an increase.

Fourth-quarter profit for the segment was positively impacted by an extraordinary gain from the sale of the commercial buildings in Ogre and Rezekne, as well as the annual revaluation of real estate investments, which contributed 4.1 million euros to profit (compared to 1.1 million euros in the fourth quarter of 2023). The segment's profit continues to be negatively affected by the increased cost of financing due to the rise in Euribor interest rates in recent years. The gradual decline in the Euribor rate during the second half of the reporting year began to alleviate the segment's interest expenses, with more significant cost reductions expected in 2025. The real estate segment houses a significant portion of the Group's loan portfolio, which increased during the reporting period due to the construction of the logistics centre, contributing to the rise in interest expenses. The logistics centre was constructed at a cost of approximately 20 million euros.

### Personnel

The Group's average number of employees in 2024 was 4,785, an increase of 1.3% compared to 2023. Total labour costs (including salaries and social tax expenses) amounted to 112.2 million euros in 2024, representing a 3.3% increase compared to the previous year. In the fourth quarter, labour costs grew by 3.2% compared to the same period in the prior year, while the average number of employees increased by 2.0%.

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

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



Raul Puusepp  
Chairman of the Management Board

Tallinn, 16 January 2025

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### MANAGEMENT BOARD'S CONFIRMATION TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Management Board confirms the correctness and completeness of TKM Grupp AS condensed consolidated interim financial statements (unaudited) for the period of fourth quarter and 12 months of 2024 as set out on pages 13-38.

The Chairman of the Management Board confirms that:

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



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Raul Puusepp  
Chairman of the Management Board

Tallinn, 16 January 2025

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros

	Note	31.12.2024	31.12.2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	45,454	42,064
Trade and other receivables	3	30,310	25,568
Inventories	5	97,091	98,254
<b>Total current assets</b>		<b>172,855</b>	<b>165,886</b>
<b>Non-current assets</b>			
Long-term receivables and prepayments	8	235	243
Investments in associates	7	1,733	1,732
Investment property	9	81,284	64,971
Property, plant and equipment	10	424,794	433,306
Intangible assets	11	25,785	25,370
<b>Total non-current assets</b>		<b>533,831</b>	<b>525,622</b>
<b>TOTAL ASSETS</b>		<b>706,686</b>	<b>691,508</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Borrowings	12	44,436	48,820
Trade and other payables	13	110,997	114,573
<b>Total current liabilities</b>		<b>155,433</b>	<b>163,393</b>
<b>Non-current liabilities</b>			
Borrowings	12	279,958	258,857
Trade and other payables		1,285	0
Deferred tax liabilities	14	7,939	5,356
Provisions for other liabilities and charges		543	526
<b>Total non-current liabilities</b>		<b>289,725</b>	<b>264,739</b>
<b>TOTAL LIABILITIES</b>		<b>445,158</b>	<b>428,132</b>
<b>Equity</b>			
Share capital	15	16,292	16,292
Statutory reserve capital		2,603	2,603
Revaluation reserve		112,167	116,521
Retained earnings		130,466	127,960
<b>TOTAL EQUITY</b>		<b>261,528</b>	<b>263,376</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>706,686</b>	<b>691,508</b>

The notes presented on pages 18 to 38 form an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of euros

	Note	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Revenue	16	256,635	252,596	944,568	947,257
Other operating income		4,719	830	5,971	2,016
Cost of merchandise	5	-185,115	-180,529	-684,797	-686,000
Service expenses	17	-16,552	-16,365	-61,503	-60,685
Staff costs	18	-31,350	-30,370	-112,241	-108,668
Depreciation, amortisation and impairment losses	10,11	-11,488	-10,113	-43,174	-40,770
Other expenses		-219	-89	-1,250	-894
<b>Operating profit</b>		<b>16,630</b>	<b>15,960</b>	<b>47,574</b>	<b>52,256</b>
Finance income		87	46	514	86
Finance costs		-3,611	-2,984	-12,889	-9,576
Finance income on shares of associates accounted for using the equity method	7	115	74	281	240
<b>Profit before tax</b>		<b>13,221</b>	<b>13,096</b>	<b>35,480</b>	<b>43,006</b>
Income tax expense	15	-2,690	-281	-8,003	-5,582
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>		<b>10,531</b>	<b>12,815</b>	<b>27,477</b>	<b>37,424</b>
<b>Other comprehensive income:</b> <i>Items that will not be subsequently reclassified to profit or loss</i>					
Revaluation of land and buildings	10	0	11,989	0	11,989
<b>Other comprehensive income for the financial year</b>		<b>0</b>	<b>11,989</b>	<b>0</b>	<b>11,989</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>10,531</b>	<b>24,804</b>	<b>27,477</b>	<b>49,413</b>
Basic and diluted earnings per share (euros)	19	0.26	0.31	0.67	0.92

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

The notes presented on pages 18 to 38 form an integral part of these condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

In thousands of euros

	Note	12 months 2024	12 months 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit		27,477	37,424
Adjustments:			
Interest expense		12,889	9,576
Interest income		-514	-86
Income tax expense		8,003	5,582
Depreciation, amortisation	10, 11	42,963	40,538
Gain/loss from fair value adjustment of investment property	9	-2,429	-452
Loss on write-off property, plant and equipment	10	211	232
Profit/loss on sale of property, plant and equipment	10	229	-44
Profit on sale of investment property	9	-2,107	0
Effect of equity method	7	-281	-240
Interest paid on lease liabilities	12	-5,170	-3,720
Corporate income tax paid		-271	-224
Change in inventories		-879	-10,196
Change in receivables and prepayments related to operating activities		-4,731	2,316
Change in liabilities and prepayments related to operating activities		-2,326	1,315
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>73,064</b>	<b>82,021</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	-34,063	-24,041
Proceeds from sale of property, plant and equipment	10	2,435	512
Purchase of investment property	9	-510	-896
Proceeds from sale of investment property	9	10,532	0
Purchase of intangible assets	11	-2,000	-1,905
Business combination	6	0	-2,328
Cash acquired from business combination	6	0	71
Dividends received	7	280	230
Interest received		514	86
<b>TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>-22,812</b>	<b>-28,271</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	12	38,153	47,793
Repayments of borrowings	12	-22,313	-17,927
Change in overdraft balance	12	-2,564	-7,862
Payments of principal or leases	12	-17,754	-17,435
Dividends paid	15	-29,324	-27,695
Income tax on dividends paid	15	-5,312	-5,299
Interest paid		-7,748	-5,697
<b>TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>-46,862</b>	<b>-34,122</b>
<b>TOTAL CASH FLOWS</b>		<b>3,390</b>	<b>19,628</b>
Cash and cash equivalents at the beginning of the period	2	42,064	22,436
Cash and cash equivalents at the end of the period	2	45,454	42,064
<b>Net change in cash and cash equivalents</b>		<b>3,390</b>	<b>19,628</b>

The notes presented on pages 18 to 38 form an integral part of these condensed consolidated interim financial statements.



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

In thousands of euros

	Share capital	Statutory reserve capital	Revaluation reserve	Retained earnings	Total
<b>Balance as of 31.12.2022</b>	<b>16,292</b>	<b>2,603</b>	<b>106,981</b>	<b>115,783</b>	<b>241,659</b>
Net profit for the reporting period	0	0	0	37,424	37,424
Revaluation of land and buildings	0	0	11,989	0	11,989
<b>Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>11,989</b>	<b>37,424</b>	<b>49,413</b>
Reclassification of depreciation of revalued land and buildings	0	0	-2,449	2,449	0
Dividends paid	0	0	0	-27,696	-27,696
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-27,696</b>	<b>-27,696</b>
<b>Balance as of 31.12.2023</b>	<b>16,292</b>	<b>2,603</b>	<b>116,521</b>	<b>127,960</b>	<b>263,376</b>
Net loss for the reporting period	0	0	0	27,477	27,477
<b>Total comprehensive loss for the reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,477</b>	<b>27,477</b>
Reclassification of depreciation of revalued land and buildings	0	0	-4,354	4,354	0
Dividends paid	0	0	0	-29,325	-29,325
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-29,325</b>	<b>-29,325</b>
<b>Balance as of 31.12.2024</b>	<b>16,292</b>	<b>2,603</b>	<b>112,167</b>	<b>130,466</b>	<b>261,528</b>

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

The notes presented on pages 18 to 38 form an integral part of these consolidated interim financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS

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

#### General Information

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

#### Basis for Preparation

The Condensed Consolidated Interim Accounts of TKM Group has been prepared in accordance with the International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed consolidated interim financial statements do not contain all the information that has to be presented in the annual financial statements and they should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The presentation currency of TKM Group is euro. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of each of the Group's entities is euro. All amounts disclosed in the financial statements have been rounded to the nearest thousand unless referred to otherwise.

The Manager is of the opinion that the Condensed Consolidated Interim Report of TKM Group for the fourth quarter and 12 months of 2024 gives a true and fair view of the Company's performance in accordance with the going-concern concept.

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

**Note 2. Cash and cash equivalents**

in thousands of euros

	31.12.2024	31.12.2023
Cash on hand	1,243	1,261
Bank accounts	43,032	3,252
Overnight deposit	0	36,088
Cash in transit	1,179	1,463
<b>Total cash and cash equivalents</b>	<b>45,454</b>	<b>42,064</b>

**Note 3. Trade and other receivables**

in thousands of euros

	31.12.2024	31.12.2023
Trade receivables (Note 4)	25,239	22,456
Other short-term receivables	397	286
<b>Total financial assets from balance sheet line "Trade and other receivables"</b>	<b>25,636</b>	<b>22,742</b>
Prepayment for goods	3,353	1,619
Other prepaid expenses	1,236	1,150
Prepaid rental expenses	12	17
Prepaid taxes (Note 14)	73	40
<b>Total trade and other receivables</b>	<b>30,310</b>	<b>25,568</b>

**Note 4. Trade receivables**

in thousands of euros

	31.12.2024	31.12.2023
Trade receivables	21,320	19,355
Allowance for doubtful receivables	-128	-151
Receivables from related parties (Note 20)	792	542
Credit card payments (receivables)	3,255	2,710
<b>Total trade receivables</b>	<b>25,239</b>	<b>22,456</b>

**Note 5. Inventories**

in thousands of euros

	31.12.2024	31.12.2023
Goods purchased for resale	96,291	97,478
Tare and materials	800	776
<b>Total inventories</b>	<b>97,091</b>	<b>98,254</b>

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

in thousands of euros

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Write-down and write-off of inventories	3,484	3,393	13,291	12,353
Inventory stocktaking deficit	1,166	1,203	3,702	4,008
<b>Total materials and consumables used</b>	<b>4,650</b>	<b>4,596</b>	<b>16,993</b>	<b>16,361</b>

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

## Note 6. Subsidiaries

TKM Group consists of:

Name	Location	Area of activity	Ownership 31.12.2024	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
Motus 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

Business combinations in 2023:

Name	Location	Area of activity	Acquisition date	Ownership %
AS Walde	Estonia	Security activities	15.02.2023	100%
Skarabeus Julgestusteenistus OÜ	Estonia	Security activities	13.07.2023	100%
Caesar Turvateenistuse AS	Estonia	Security activities	16.08.2023	100%

TKM Grupp AS acquired on 15.02.2023 year 100% of the shares of AS Walde. AS Walde is a wholesaler of security systems, which is a certified distributor of 2N Telekomunikace, Honeywell and Anixter equipment, among others.

The acquisition of the shareholding of AS Walde enables TKM Group to further strengthen its field of security services, which has been one of the TKM Group's fastest growing business lines in recent years. The business of AS Walde will continue in its current form, and there will be no changes in the composition of AS Walde employees in connection with the transaction.

The table below provides an overview of acquired identifiable assets and liabilities of AS Walde at the time of acquisition.

in thousands of euros	Fair value 28.02.2023
Cash and cash equivalents	52
Trade receivables	300
Inventories	349
Property, plant and equipment	23
Trademark (Note 11)	153
Liabilities	-132
<b>Total identifiable net assets</b>	<b>745</b>
Consideration of ownership interest	745
<b>Paid for ownership interest in cash</b>	<b>596</b>
Payable in future for the ownership interest in cash	149
Cash and cash equivalents in the acquired entity	-52
<b>Net outflow of cash – investing activities</b>	<b>-544</b>
Payable in future for the ownership interest in cash	149

Trademark 153 thousand euros was acquired (Note 11).

TKM Grupp AS subsidiary Viking Security AS acquired on 13.07.2023 100% of the shares of Skarabeus Julgestusteenistus OÜ. Skarabeus Julgestusteenistus OÜ is a nationwide security company with departments in Tallinn, Tartu, Pärnu and Central Estonia that provides manned guarding, patrol and technical surveillance services. The acquisition of Skarabeus Julgestusteenistus OÜ enables Viking Security AS to strengthen its business in all areas of activity.

The table below provides an overview of acquired identifiable assets and liabilities of Skarabeus Julgestusteenistus OÜ at the time of acquisition.

in thousands of euros	Fair value 30.06.2023
Cash and cash equivalents	6
Trade receivables	275
Other receivables	15
Inventories	25
Property, plant and equipment	371
Liabilities	-697
<b>Total identifiable net assets</b>	<b>-5</b>
Consideration of ownership interest	1,622
Goodwill (Note 11)	1,627
<b>Paid for ownership interest in cash</b>	<b>1,316</b>
Payable in future for the ownership interest in cash	306
Cash and cash equivalents in the acquired entity	-6
<b>Net outflow of cash – investing activities</b>	<b>-1,310</b>
Payable in future for the ownership interest in cash	306

Goodwill 1,627 thousand euros was acquired (Note 11).

TKM Grupp AS subsidiary Viking Security AS acquires 100% of the shares of Caesari Turvateenistuse AS. Caesari Turvateenistuse AS is one of the oldest security companies established in Estonia, which has provided security services since 1994. The company provides manned guarding, patrol and technical surveillance services as well as construction and maintenance of security systems in Harju County. The acquisition of Caesari Turvateenistuse AS further strengthens Viking Security AS' business in different areas of activity.

The table below provides an overview of acquired identifiable assets and liabilities of Caesari Turvateenistuse AS at the time of acquisition.

in thousands of euros	Fair value 31.08.2023
Cash and cash equivalents	13
Trade receivables	34
Inventories	17
Property, plant and equipment	5
Liabilities	-140
<b>Total identifiable net assets</b>	<b>-71</b>
Consideration of ownership interest	482
Goodwill (Note 11)	553
<b>Paid for ownership interest in cash</b>	<b>416</b>
Payable in future for the ownership interest in cash	66
Cash and cash equivalents in the acquired entity	-13
<b>Net outflow of cash – investing activities</b>	<b>-403</b>
Payable in future for the ownership interest in cash	66

Goodwill 553 thousand euros was acquired (Note 11).

To increase efficiency, the plan is to merge the activities of Skarabeus Julgestusteenistus OÜ and Caesari Turvateenistuse AS in the group that are involved in security business. Both Skarabeus Julgestusteenistus OÜ and Caesari Turvateenistuse AS (companies to be acquired) merged into Viking Security AS (acquiring company). The merger agreement related to the above-mentioned merger was signed on 26.09.2023. The merger registered in the Commercial Registry 13 December 2023.

The merged company will continue providing high-quality security services. The resulting synergy will allow us to provide our clients with increasingly better and perfected solutions and continue the successful growth of the company thus far.

In 2024, there were no business combinations.

#### Note 7. Investments in associates

in thousands of euros

TKM Grupp AS has ownership of 50% (2023: 50%) interest in the entity AS Rävåla 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.

	31.12.2024	31.12.2023
<b>Investment in the associate at the beginning of the year</b>	<b>1,732</b>	<b>1,722</b>
Profit for the reporting period under equity method	281	240
Dividends received	-280	-230
<b>Investment in the associate at the end of the accounting period</b>	<b>1,733</b>	<b>1,732</b>

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

	31.12.2024		31.12.2023	
Current assets	227		138	
Property, plant and equipment	3,350		3,388	
Current liabilities	115		59	
Owners' equity	3,462		3,467	
	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Revenue	298	208	726	620
Net profit	225	152	538	460

#### Note 8. Long-term receivables and prepayments

in thousands of euros

	31.12.2024		31.12.2023	
Prepaid rental expenses	206		205	
Deferred tax asset	24		37	
Other long-term receivables	5		1	
<b>Total long-term trade and other receivables</b>	<b>235</b>		<b>243</b>	

#### Note 9. Investment property

in thousands of euros

in thousands of euros	
<b>Carrying value as at 31.12.2022</b>	<b>63,623</b>
Purchases and improvements	896
Net profit from fair value adjustment	452
<b>Carrying value as at 31.12.2023</b>	<b>64,971</b>
Purchases and improvements	510
Reclassification from property, plant and equipment (Note 10)	21,799
Disposals	-8,425
Net profit from fair value adjustment	2,429
<b>Carrying value as at 31.12.2024</b>	<b>81,284</b>

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

The cost of investments for the 12 months of 2024 amounted to 510 thousand euros (2023: 896 thousand euros).

During the reporting period, construction work was carried out on the Estonian real estate object in the Viimsi Center 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 Kuldīga and in the amount of 8 thousand euros in Salaspils.

In 2023, construction works on the roof of the building for the establishment of a solar energy production park and renovation of sports club of the Estonian real estate object in the Viimsi centre amounted to 341 thousand euros. Renovation works were carried out in Tartu Kaubamaja centre in the amount of 161 thousand euros. In Rae County, Raudkivi tee 1, opening of car wash amounted to 394 thousand euros.

During the reporting period, the logistics centre completed in the fall, located at Paemurru tn 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 its investment properties in Ogre and Rezekne for a total amount of 8,425 thousand euros.

In 2024, as a result of the revaluation, the valuation of the Estonian investment property increased in the amount of 2,105 thousand euros (2023: 1,129 thousand euros) and decreased in the amount of 387 thousand euros (2023: 664 thousand euros). In the reporting year, as a result of the revaluation, the investment property in Latvia was increased in the amount of 711 thousand euros (2023: 418 thousand euros) and decreased in the amount of 0 thousand euros (2023: 431 thousand euros).

Net fair value adjustment of investment property is recorded in profit or loss line "Other operating income" in the amount of 2,429 thousand euros in 2024 (2023: 452 thousand euros).



## Note 10. 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
<b>31.12.2022</b>						
Cost or revalued amount	204,394	231,984	66,127	55,761	23,389	581,655
Accumulated depreciation and impairment	-5,756	-69,848	-38,933	-37,659	-8,859	-161,055
<b>Carrying value</b>	<b>198,638</b>	<b>162,136</b>	<b>27,194</b>	<b>18,102</b>	<b>14,530</b>	<b>420,600</b>
<b>Changes occurred in 2023</b>						
Purchases and improvements	7,264	0	8,904	7,101	772	24,041
Acquired through business combinations (Note 6)	0	0	270	16	0	286
Addition to right-of use assets	0	10,307	0	0	0	10,307
Other reclassifications	0	0	273	0	0	273
Reclassification to intangible assets (Note 11)	0	0	0	0	-1	-1
Reclassification to inventory	0	0	-360	0	0	-360
Reclassification to property, plant and equipment from inventory	0	0	1,871	1	15	1,887
Disposals	-30	0	-432	-6	0	-468
Write-offs	-87	0	-75	-70	0	-232
Decrease/increase in value through profit or loss	718	0	0	0	-112	606
Increase in value through revaluation reserve	11,989	0	0	0	0	11,989
Adjustment to right-of use assets	0	4,821	0	0	0	4,821
Depreciation	-6,942	-19,679	-7,186	-6,636	0	-40,443
<b>31.12.2023</b>						
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
<b>Carrying value</b>	<b>211,550</b>	<b>157,585</b>	<b>30,459</b>	<b>18,508</b>	<b>15,204</b>	<b>433,306</b>
<b>Changes occurred in 2024</b>						
Purchases and improvements	2,613	0	4,858	6,513	20,079	34,063
Addition to right-of use assets	0	10,510	0	0	0	10,510
Other reclassifications	0	0	284	-45	0	239
Reclassification to investment property (Note 9)	0	0	0	0	-21,799	-21,799
Reclassification from intangible assets (Note 11)	0	0	0	0	864	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
<b>31.12.2024</b>						
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
<b>Carrying value</b>	<b>204,736</b>	<b>158,404</b>	<b>29,256</b>	<b>18,524</b>	<b>13,874</b>	<b>424,794</b>

The cost of fixed asset investments for the 12 months of 2024 amounted to 36,063 thousand euros (including purchases of property, plant and equipment in the amount of 34,063 thousand euros and purchases of intangible assets amounted to 2,000 thousand euros).

The cost of purchases of property, plant and equipment made in reporting period in the supermarkets business segment was 6,680 thousand euros. During the reporting period, new Selver supermarkets opened their doors in the largest Rocca al Mare shopping centre in Tallinn's Haabersti district and in Raadi, in Tartu municipality. During the reporting period, computing equipment was acquired and the furnishings and security devices of Selver stores were updated.

The cost of purchases of property, plant and equipment in the business segment of department stores amounted to 4,338 thousand euros. During the reporting period, Kaubamaja in Tartu opened a food world that underwent a thorough renovation and a new e-store with the latest technical solutions to improve the customer's shopping journey.

The cost of purchases of property, plant and equipment in the reporting period was 1,460 thousand euros in the car trade business segment.

The cost of purchases of property, plant and equipment in the reporting period was 409 thousand euros in the security business segment.

The cost of purchases of property, plant and equipment in the real estate business segment amounted to 21,176 thousand euros. During the reporting period, construction works has been made of the logistics centre in Paemurru tn.1, Maardu. The logistics centre will serve the cargo volumes of TKM Group, especially its subsidiary Selver AS. In addition, real estate companies have made investments for more accurate measurement and management of the energy consumption of technical systems.

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

At the year-end 2024, the fair value of "Land and buildings" and recoverable amount of "Construction in progress" was assessed. The fair values of "Land and buildings" and the recoverable amounts of buildings under construction (based on the value in use) were determined based on management's judgment, using the estimates of certified independent real estate experts for determining the inputs to be used or the fair value of the items. The discounted cash flow model and market data (comparable transactions, rental income, etc.) were both used for determining fair values as well as recoverable amounts.

The discount rates used for estimation of "Land and Buildings" located in Estonia were 8.0%-11.0% (2023: 8.0%-12.9%) depending on the location of the property and the rental growth rates were 1.0%-2.5% (2023: 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.

As a result of the revaluation in 2024 the value of "Land and buildings" located in Estonia was adjusted neither upwards nor downwards. As a result of the revaluation in 2023 the value of "Land and buildings" located in Estonia increased by 12,416 thousand euros which was recognized through revaluation reserve.

The discount rates used for estimation of "Land and Buildings" located in Latvia were 7.5%-9.0% (2023: 8.0%- 9.0%) and the rental growth rates were 2.0%-2.5% (2023: 1.5%-2.5%). As a result of the revaluation in 2024 the value of "Land and buildings" located in Latvia was adjusted neither upwards nor downwards. As a result of the revaluation in 2023 the value of "Land and buildings" located in Latvia decreased by 427 thousand euros, which was recognized through revaluation reserve, and increase in value was recognized through profit and loss in the amount of 718 thousand euros.

In 2024 and 2023, when assessing the value of "Land and buildings" located in Lithuania, no significant differences were detected between the fair value and book value of land and buildings.

The value of "Construction in progress" located in Estonia decrease in value was recognized through profit and loss in the amount of 50 thousand euros in 2024 (2023: 163 thousand euros).

In 2024, the value of "Construction in progress" located in Latvia increased by 119 thousand euros and was recognized through profit and loss (2023: 51 thousand euros) and decreased by 362 thousand euros (2023: 0 thousand euros).

The value of "Construction in progress" located in Lithuania was adjusted neither upwards nor downwards in 2024 and 2023.

**Note 11. Intangible assets**

in thousands of euros

	Goodwill	Trademark	Beneficial agreements	Capitalised development expenditure	Total
<b>31.12.2022</b>					
Cost	16,869	2,091	120	5,355	24,435
Accumulated amortisation and impairment	0	-863	-31	-1,818	-2,712
<b>Carrying value</b>	<b>16,869</b>	<b>1,228</b>	<b>89</b>	<b>3,537</b>	<b>21,723</b>
<b>Changes occurred in 2023</b>					
Purchases and improvements	0	0	0	1,905	1,905
Acquired through business combinations (Note 6)	2,180	153	0	111	2,444
Reclassification to property, plant and equipment	0	0	0	-2	-2
Reclassification from property, plant and equipment (Note 10)	0	0	0	1	1
Amortisation	0	-291	-18	-392	-701
<b>31.12.2023</b>					
Cost	19,049	2,243	120	7,430	28,842
Accumulated amortisation and impairment	0	-1,153	-49	-2,270	-3,472
<b>Carrying value</b>	<b>19,049</b>	<b>1,090</b>	<b>71</b>	<b>5,160</b>	<b>25,370</b>
<b>Changes occurred in 2024</b>					
Purchases and improvements	0	0	0	2,000	2,000
Reclassification to property, plant and equipment (Note 10)	0	0	0	-864	-864
Amortisation	0	-295	-17	-409	-721
<b>31.12.2024</b>					
Cost	19,049	2,243	120	7,984	29,396
Accumulated amortisation and impairment	0	-1,448	-66	-2,097	-3,611
<b>Carrying value</b>	<b>19,049</b>	<b>795</b>	<b>54</b>	<b>5,887</b>	<b>25,785</b>

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 2,000 thousand euros (2023: 1,905 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.

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

in thousands of euros	31.12.2024	31.12.2023
Supermarkets	13,609	13,609
Car trade	3,156	3,156
Security	2,284	2,284
<b>Total</b>	<b>19,049</b>	<b>19,049</b>

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

## Note 12. Borrowings

in thousands of euros

	31.12.2024	31.12.2023
<b>Short-term borrowings</b>		
Overdraft	4,797	7,361
Bank loans	12,157	16,126
Lease liabilities	18,852	18,722
Other borrowings	8,630	6,611
<b>Total short-term borrowings</b>	<b>44,436</b>	<b>48,820</b>

in thousands of euros

	31.12.2024	31.12.2023
<b>Long-term borrowings</b>		
Bank loans	111,298	92,712
Lease liabilities	153,924	150,614
Other borrowings	14,736	15,531
<b>Total long-term borrowings</b>	<b>279,958</b>	<b>258,857</b>
<b>Total borrowings</b>	<b>324,394</b>	<b>307,677</b>

## Borrowings received

in thousands of euros

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Overdraft	292	0	0	0
Bank loans	7,625	6,857	27,690	32,278
Other borrowings	3,648	5,463	10,463	15,515
<b>Total borrowings received</b>	<b>11,565</b>	<b>12,320</b>	<b>38,153</b>	<b>47,793</b>

**Borrowings paid**

in thousands of euros

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Overdraft	0	249	2,564	7,862
Bank loans	7,512	1,785	13,073	12,554
Lease liabilities	4,522	4,396	17,754	17,435
Other borrowings	2,737	1,813	9,240	5,373
<b>Total borrowings paid</b>	<b>14,771</b>	<b>8,243</b>	<b>42,631</b>	<b>43,224</b>

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

As of 31.12.2024, the repayment dates of bank loans are between 02.01.2024 and 07.05.2039 (2023: between 26.03.2024 and 26.12.2028), interest is tied both to 3-month and 6-month EURIBOR. Weighted average interest rate was 4.60% (2023: 5.22%).

Lease agreements that form lease liabilities have been concluded for the term until 14.04.2040. Lease liability recorded in the balance sheet is recognised as a result of adoption of IFRS 16. In discounting, an alternative loan interest rate has been used in concluding the contract or upon initial application of IFRS 16. Weighted average interest rate used was 2.79% (31.12.2023: 2.21%).

**Net debt reconciliation**

in thousands of euros

	31.12.2024	31.12.2023
Cash and cash equivalents (Note 2)	45,454	42,064
Short-term borrowings	-44,436	-48,820
Long-term borrowings	-279,958	-258,857
<b>Net debt</b>	<b>-278,940</b>	<b>-265,613</b>
Cash and cash equivalents (Note 2)	45,454	42,064
Gross debt – fixed interest rates	-172,776	-169,336
Gross debt – variable interest rates	-151,618	-138,341
<b>Net debt</b>	<b>-278,940</b>	<b>-265,613</b>

	Cash and cash equivalents	Overdraft	Borrowings	Lease liabilities	Total
<b>Net debt 31.12.2022</b>	<b>22,436</b>	<b>-15,222</b>	<b>-101,067</b>	<b>-171,643</b>	<b>-265,496</b>
Cash flow (principal and interest)	19,628	7,861	-24,216	21,155	24,428
Interest accrued	0	0	-5,697	-3,720	-9,417
New lease contracts	0	0	0	-10,307	-10,307
Revaluation of lease liabilities	0	0	0	-4,821	-4,821
<b>Net debt 31.12.2023</b>	<b>42,064</b>	<b>-7,361</b>	<b>-130,980</b>	<b>-169,336</b>	<b>-265,613</b>
Cash flow (principal and interest)	3,390	2,564	-8,093	22,924	20,785
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
<b>Net debt 31.12.2024</b>	<b>45,454</b>	<b>-4,797</b>	<b>-146,821</b>	<b>-172,776</b>	<b>-278,940</b>

**Note 13. Trade and other payables**

in thousands of euros

	31.12.2024	31.12.2023
Trade payables	74,639	77,544
Payables to related parties (Note 20)	3,549	4,091
Other accrued expenses	629	997
Prepayments by tenants	2,664	4,092
<b>Total financial liabilities from balance sheet line "Trade and other payables"</b>	<b>81,481</b>	<b>86,724</b>
Taxes payable (Note 14)	13,883	12,151
Employee payables	11,399	12,242
Prepayments	4,065	3,456
Provisions for other liabilities and charges	169	0
<b>Total trade and other payables</b>	<b>110,997</b>	<b>114,573</b>

**Note 14. Taxes**

in thousands of euros

	31.12.2024		31.12.2023	
	Prepaid taxes	Taxes payable	Prepaid taxes	Taxes payable
Prepaid taxes	73	0	40	0
Value added tax	0	7,030	0	5,810
Personal income tax	0	1,943	0	1,711
Social security taxes	0	4,383	0	4,132
Corporate income tax	0	104	0	110
Unemployment insurance	0	278	0	266
Mandatory funded pension	0	145	0	122
<b>Total taxes</b>	<b>73</b>	<b>13,883</b>	<b>40</b>	<b>12,151</b>

As of 31.12.2024 deferred tax liability on dividends in the amount of 7,939 thousand euros (31.12.2023: 5,356 thousand euros) is recorded in the balance sheet.

**Note 15. Share capital**

As of 31.12.2024 and 31.12.2023, 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 162,916,800 shares.

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.

In 2023, dividends were paid to the shareholders in the amount of 27,695 thousand euros, or 0.68 euros per share. Related income tax expense on dividends amounted to 5,299 thousand euros.

**Note 16. Segment reporting**

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

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

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

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

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

in thousands of euros

IV quarter 2024	Super- markets	Depart- ment store	Car trade	Securi- ty	Real estate	Inter- segment transact- ions	Impact of lease accounting	Total seg- ments
<b>External revenue</b>	<b>164,106</b>	<b>33,210</b>	<b>51,217</b>	<b>5,963</b>	<b>2,139</b>	<b>0</b>	<b>0</b>	<b>256,635</b>
Inter-segment revenue	255	1,216	90	1,598	3,675	-6,834	0	0
Total revenue	164,361	34,426	51,307	7,561	5,814	-6,834	0	256,635
<b>EBITDA</b>	<b>7,958</b>	<b>2,774</b>	<b>2,889</b>	<b>149</b>	<b>8,250</b>	<b>0</b>	<b>6,098</b>	<b>28,118</b>
Segment depreciation and impairment losses	-3,114	-780	-433	-172	-1,637	0	-5,352	-11,488
<b>Operating profit</b>	<b>4,844</b>	<b>1,994</b>	<b>2,456</b>	<b>-23</b>	<b>6,613</b>	<b>0</b>	<b>746</b>	<b>16,630</b>
Finance income	255	375	15	0	409	-967	0	87
Finance income on shares of associates	0	115	0	0	0	0	0	115
Finance costs	-510	-727	-215	-39	-1,511	967	-1,576	-3,611
Income tax	1,043	163	-525	0	-3,371	0	0	-2,690
<b>Net profit/(-loss)</b>	<b>5,632</b>	<b>1,920</b>	<b>1,731</b>	<b>-62</b>	<b>2,140</b>	<b>0</b>	<b>-830</b>	<b>10,531</b>
incl. in Estonia	5,632	1,920	1,712	-62	-1,508	0	-830	6,864
incl. in Latvia	0	0	27	0	3,681	0	0	3,708
incl. in Lithuania	0	0	-8	0	-33	0	0	-41
<b>Segment assets</b>	<b>161,352</b>	<b>87,057</b>	<b>54,592</b>	<b>10,211</b>	<b>321,962</b>	<b>-86,892</b>	<b>158,404</b>	<b>706,686</b>
<b>Segment liabilities</b>	<b>115,318</b>	<b>59,988</b>	<b>23,958</b>	<b>7,647</b>	<b>120,601</b>	<b>-55,130</b>	<b>172,776</b>	<b>445,158</b>
Segment investments in property, plant and equipment	1,730	946	521	129	3,046	0	0	6,372
Segment investments in intangible assets	0	405	0	2	1	0	0	408
Reversal of the impair- ment from previous years of property, plant and equipment through profit or loss (Note 10)	0	0	0	0	293	0	0	293
Fair value adjustment of investment property (Note 9)	0	0	0	0	2,429	0	0	2,429



in thousands of euros

IV quarter 2023	Super- markets	Depart- ment store	Car trade	Securi- ty	Real estate	Inter- segment transact- ions	Impact of lease accounting	Total seg- ments
<b>External revenue</b>	<b>165,009</b>	<b>34,861</b>	<b>45,744</b>	<b>5,253</b>	<b>1,729</b>	<b>0</b>	<b>0</b>	<b>252,596</b>
Inter-segment revenue	305	1,131	80	1,504	3,635	-6,655	0	0
Total revenue	165,314	35,992	45,824	6,757	5,364	-6,655	0	252,596
<b>EBITDA</b>	<b>11,001</b>	<b>2,972</b>	<b>2,504</b>	<b>-37</b>	<b>4,139</b>	<b>0</b>	<b>5,494</b>	<b>26,073</b>
Segment depreciation and impairment losses	-3,246	-712	-369	-141	-543	0	-5,102	-10,113
<b>Operating profit</b>	<b>7,755</b>	<b>2,260</b>	<b>2,135</b>	<b>-178</b>	<b>3,596</b>	<b>0</b>	<b>392</b>	<b>15,960</b>
Finance income	302	326	13	1	367	-963	0	46
Finance income on shares of associates	0	74	0	0	0	0	0	74
Finance costs	-634	-767	-245	-33	-1,169	963	-1,099	-2,984
Income tax	-468	65	-906	0	1,028	0	0	-281
<b>Net profit/(-loss)</b>	<b>6,955</b>	<b>1,958</b>	<b>997</b>	<b>-210</b>	<b>3,822</b>	<b>0</b>	<b>-707</b>	<b>12,815</b>
incl. in Estonia	6,955	1,958	1,245	-210	2,817	0	-707	12,058
incl. in Latvia	0	0	-31	0	1,034	0	0	1,003
incl. in Lithuania	0	0	-217	0	-29	0	0	-246
<b>Segment assets</b>	<b>156,977</b>	<b>79,049</b>	<b>51,868</b>	<b>9,125</b>	<b>306,956</b>	<b>-70,052</b>	<b>157,585</b>	<b>691,508</b>
<b>Segment liabilities</b>	<b>116,549</b>	<b>51,420</b>	<b>25,240</b>	<b>6,792</b>	<b>97,085</b>	<b>-38,290</b>	<b>169,336</b>	<b>428,132</b>
Segment investments in property, plant and equipment	1,616	397	543	100	1,750	0	0	4,406
Segment investments in intangible assets	0	745	6	2	1	0	0	754
Reversal of the impairment from previous years of property, plant and equipment through profit or loss (Note 10)	0	0	0	0	606	0	0	606
Fair value adjustment of investment property (Note 9)	0	0	0	0	452	0	0	452
Increase in value through revaluation reserve of property, plant and equipment (Note 10)	0	0	0	0	11,989	0	0	11,989

in thousands of euros

12 months 2024	Super- markets	Depart- ment store	Car trade	Security	Real estate	Inter- segment transact- ions	Impact of lease accounting	Total seg- ments
<b>External revenue</b>	<b>610,390</b>	<b>104,175</b>	<b>200,833</b>	<b>21,859</b>	<b>7,311</b>	<b>0</b>	<b>0</b>	<b>944,568</b>
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
<b>EBITDA</b>	<b>29,342</b>	<b>3,730</b>	<b>13,603</b>	<b>1,008</b>	<b>20,141</b>	<b>0</b>	<b>22,924</b>	<b>90,748</b>
Segment depreciation and impairment losses	-12,341	-2,903	-1,631	-641	-5,282	0	-20,376	-43,174
<b>Operating profit</b>	<b>17,001</b>	<b>827</b>	<b>11,972</b>	<b>367</b>	<b>14,859</b>	<b>0</b>	<b>2,548</b>	<b>47,574</b>
Finance income	1,119	1,651	58	2	1,693	-4,009	0	514
Finance income on shares of associates (Note 7)	0	281	0	0	0	0	0	281
Finance costs	-2,080	-3,099	-909	-139	-5,501	4,009	-5,170	-12,889
Income tax	-564	0	-1,615	0	-5,824	0	0	-8,003
<b>Net profit/(-loss)</b>	<b>15,476</b>	<b>-340</b>	<b>9,506</b>	<b>230</b>	<b>5,227</b>	<b>0</b>	<b>-2,622</b>	<b>27,477</b>
incl. in Estonia	15,476	-340	8,563	230	1,082	0	-2,622	22,389
incl. in Latvia	0	0	376	0	4,272	0	0	4,648
incl. in Lithuania	0	0	567	0	-127	0	0	440
<b>Segment assets</b>	<b>161,352</b>	<b>87,057</b>	<b>54,592</b>	<b>10,211</b>	<b>321,962</b>	<b>-86,892</b>	<b>158,404</b>	<b>706,686</b>
<b>Segment liabilities</b>	<b>115,318</b>	<b>59,988</b>	<b>23,958</b>	<b>7,647</b>	<b>120,601</b>	<b>-55,130</b>	<b>172,776</b>	<b>445,158</b>
Segment investments in property, plant and equipment (Note 10)	6,680	4,338	1,460	409	21,176	0	0	34,063
Segment investments in intangible assets (Note 11)	0	1,987	2	10	1	0	0	2,000
Reversal of the impair- ment from previous years of property, plant and equipment through profit or loss (Note 10)	0	0	0	0	293	0	0	293
Fair value adjustment of investment property (Note 9)	0	0	0	0	2,429	0	0	2,429

in thousands of euros

12 months 2023	Super- markets	Depart- ment store	Car trade	Security	Real estate	Inter- segment transact- ions	Impact of lease accounting	Total seg- ments
<b>External revenue</b>	<b>620,160</b>	<b>110,457</b>	<b>194,384</b>	<b>15,656</b>	<b>6,600</b>	<b>0</b>	<b>0</b>	<b>947,257</b>
Inter-segment revenue	1,396	4,469	372	6,440	14,550	-27,227	0	0
Total revenue	621,556	114,926	194,756	22,096	21,150	-27,227	0	947,257
<b>EBITDA</b>	<b>33,447</b>	<b>5,790</b>	<b>15,399</b>	<b>512</b>	<b>16,724</b>	<b>0</b>	<b>21,154</b>	<b>93,026</b>
Segment depreciation and impairment losses	-12,431	-2,826	-1,313	-487	-4,034	0	-19,679	-40,770
<b>Operating profit</b>	<b>21,016</b>	<b>2,964</b>	<b>14,086</b>	<b>25</b>	<b>12,690</b>	<b>0</b>	<b>1,475</b>	<b>52,256</b>
Finance income	1,084	1,309	151	3	1,319	-3,780	0	86
Finance income on shares of associates	0	240	0	0	0	0	0	240
Finance costs	-2,109	-2,869	-975	-99	-3,584	3,780	-3,720	-9,576
Income tax	-1,607	-163	-2,064	0	-1,748	0	0	-5,582
<b>Net profit/(-loss)</b>	<b>18,384</b>	<b>1,481</b>	<b>11,198</b>	<b>-71</b>	<b>8,677</b>	<b>0</b>	<b>-2,245</b>	<b>37,424</b>
incl. in Estonia	18,384	1,481	9,116	-71	7,418	0	-2,245	34,083
incl. in Latvia	0	0	846	0	1,355	0	0	2,201
incl. in Lithuania	0	0	1,236	0	-96	0	0	1,140
<b>Segment assets</b>	<b>156,977</b>	<b>79,049</b>	<b>51,868</b>	<b>9,125</b>	<b>306,956</b>	<b>-70,052</b>	<b>157,585</b>	<b>691,508</b>
<b>Segment liabilities</b>	<b>116,549</b>	<b>51,420</b>	<b>25,240</b>	<b>6,792</b>	<b>97,085</b>	<b>-38,290</b>	<b>169,336</b>	<b>428,132</b>
Segment investments in property, plant and equipment	17,808	2,170	1,339	388	2,336	0	0	24,041
Segment investments in intangible assets	316	1,563	6	19	1	0	0	1,905
Reversal of the impairment from previous years of property, plant and equipment through profit or loss (Note 10)	0	0	0	0	606	0	0	606
Fair value adjustment of investment property (Note 9)	0	0	0	0	452	0	0	452
Increase in value through revaluation reserve of property, plant and equipment (Note 10)	0	0	0	0	11,989	0	0	11,989

**External revenue according to types of goods and services sold**

in thousands of euros

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Retail revenue	228,179	222,646	828,905	844,757
Wholesale revenue	12,572	14,625	58,387	53,405
Rental income	3,143	2,664	11,385	10,605
Revenue for rendering services	12,741	12,661	45,891	38,490
<b>Total revenue</b>	<b>256,635</b>	<b>252,596</b>	<b>944,568</b>	<b>947,257</b>

**External revenue by client location**

in thousands of euros

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Estonia	232,279	232,875	847,095	854,455
Latvia	13,819	13,112	59,360	60,750
Lithuania	10,537	6,609	38,113	32,052
<b>Total</b>	<b>256,635</b>	<b>252,596</b>	<b>944,568</b>	<b>947,257</b>

**Distribution of non-current assets\* by location of assets**

in thousands of euros

	31.12.2024	31.12.2023
Estonia	503,953	488,285
Latvia	25,239	33,307
Lithuania	2,906	2,298
<b>Total</b>	<b>532,098</b>	<b>523,890</b>

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

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

**Note 17. Services expenses**

in thousands of euros

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Rental expenses	277	310	839	780
Heat and electricity expenses	3,019	3,377	12,845	13,975
Expenses related to premises	3,048	2,858	11,322	11,133
Cost of services and materials related to sales	2,071	2,000	7,369	7,569
Marketing expenses	3,139	3,004	10,292	9,247
Other operating expenses	1,527	1,398	5,466	5,414
Computer and communication costs	2,094	1,963	8,340	7,516
Expenses related to personnel	1,377	1,455	5,030	5,051
<b>Total services expenses</b>	<b>16,552</b>	<b>16,365</b>	<b>61,503</b>	<b>60,685</b>

**Note 18. Staff costs**

in thousands of euros

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Wages and salaries	23,782	23,026	85,327	82,532
Social security taxes	7,568	7,344	26,914	26,136
<b>Total staff costs</b>	<b>31,350</b>	<b>30,370</b>	<b>112,241</b>	<b>108,668</b>
Average wages per employee per month (euros)	1,652	1,631	1,486	1,456
Average number of employees in the reporting period	4,798	4,706	4,785	4,724

**Note 19. Earnings per share**

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

	IV quarter 2024	IV quarter 2023	12 months 2024	12 months 2023
Net profit (in thousands of euros)	10,531	12,815	27,477	37,424
Weighted average number of shares	40,729,200	40,729,200	40,729,200	40,729,200
Basic and diluted earnings per share (euros)	0.26	0.31	0.67	0.92

**Note 20. Related party transactions**

in thousands of euros

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

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

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

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

	Purchases 12 months 2024	Sales 12 months 2024	Purchases 12 months 2023	Sales 12 months 2023
Parent	254	420	252	88
Entities in the Parent's consolidation group	32,486	4,887	36,799	3,590
Members of management and supervisory boards	0	88	0	40
Other related parties	98	24	51	18
<b>Total</b>	<b>32,838</b>	<b>5,419</b>	<b>37,102</b>	<b>3,736</b>

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

up of services provided.

**Balances with related parties:**

	31.12.2024	31.12.2023
Receivables from entities in the in the Parent's consolidation group	792	540
Members of management and supervisory boards	0	2
<b>Total receivables from related parties (Note 4)</b>	<b>792</b>	<b>542</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
Parent	26	24
Entities in the Parent's consolidation group	3,520	4,065
Other related parties	3	2
<b>Total liabilities to related parties (Note 13)</b>	<b>3,549</b>	<b>4 091</b>

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

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

For arranging funding for its subsidiaries, the Group uses the group account, the members of which are most of the Group's entities. In its turn, the Group as a subgroup is a member of the group account of NG Investeeringud OÜ (hereinafter head group). From 2001, TKM Grupp AS has been keeping its available funds at the head group account, earning interest income on its deposits. In 2024, the Group has earned interest income on its deposits of available funds in the amount of 412 thousand euros, interest rate 2,58% (2023: 81 thousand euros, interest rate 1.27%). As at 31 December 2024 and 31 December 2023, TKM Grupp AS had not deposited any funds through head group and had not used available funds of head group. According to the group account contract, the Group's members are jointly responsible for the unpaid amount to the bank.

**Remuneration paid to the members of the Management and Supervisory Board**

Short term benefits to the management boards' members of the TKM Group for the reporting period including wages, social security taxes, bonuses and car expenses, amounted to 3,248 thousand euros (2023 12 months: 3,225 thousand euros). Short-term benefits to supervisory boards' members of the Group in reporting period including social taxes amounted to 949 thousand euros (2023 12 months: 861 thousand euros).

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