



**TKM
GRUPP**

TKM Grupp AS Consolidated Interim Report for the First Quarter of 2026

(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 2026
End of financial year:	31 December 2026
Beginning of interim report period:	1 January 2026
End of interim report period:	31 March 2026
Auditor:	PricewaterhouseCoopers AS
Telephone:	372 667 3300
E-mail:	info@tkmgrupp.ee

MANAGEMENT REPORT

Management

In order to manage the Group, the general meeting of the shareholders, held at least once in a year, elects supervisory board, which according to the articles of association may have 3 to 6 members. Members of Group supervisory board are elected for three years. Members of the Group supervisory board are Jüri 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 13 February 2026 and his term of office expires on 5 March 2029.

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 March 31, 2026:

		Shareholding as of 31.03.2026	Shareholding as of 31.12.2025
Selver supermarkets			
Selver AS	Estonia	100%	100%
Kulinaaria OÜ	Estonia	100%	100%
Department stores			
Kaubamaja AS	Estonia	100%	100%
TKM Finants AS	Estonia	100%	100%
OÜ TKM Beauty	Estonia	100%	100%
OÜ TKM Beauty Eesti	Estonia	100%	100%
Rävala Parkla AS	Estonia	50%	50%

	Location	Shareholding as of 31.03.2026	Shareholding as of 31.12.2025
Car trade			
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%
UAB Motus auto	Lithuania	100%	100%
UAB KIA Auto (former UAB Motus auto)	Lithuania	100%	100%
Rohe Auto AS	Estonia	100%	0%
SKO Motors OÜ	Estonia	100%	0%
SKO Motors Kinnisvara OÜ	Estonia	100%	0%
Security segment			
Viking Security AS	Estonia	100%	100%
Walde AS	Estonia	100%	100%
Real estate			
TKM Kinnisvara AS	Estonia	100%	100%
OÜ TKM Kinnisvara Tartu	Estonia	100%	100%
SIA TKM Latvija	Latvia	100%	100%
TKM Lietuva UAB	Lithuania	100%	100%

Changes in structure

In February, a merger agreement was concluded between TKM Beauty OÜ and TKM Beauty Eesti OÜ, and the merger was registered in the Commercial Register on 1 April 2026. As a result of the merger, the operations, assets and all related rights and obligations of TKM Beauty Eesti OÜ were transferred to TKM Beauty OÜ.

The merger supports the consolidation of retail and wholesale activities in the beauty segment, enabling a simplified structure, more efficient management, and the creation of prerequisites for improved cost efficiency and further development of business operations.

Following the acquisition of shares in Rohe Auto AS and ownership interests in SKO Motors OÜ and SKO Motors Kinnisvara OÜ on 11 March 2026, additional structural changes are planned within the Group. Under the proposed changes, Rohe Auto AS and SKO Motors OÜ are planned to be demerged, with real estate-related building rights transferred to SKO Motors Kinnisvara OÜ, followed by the merger of SKO Motors Kinnisvara OÜ into TKM Kinnisvara AS. The objective of the structural changes is to consolidate the Group's real estate-related activities under unified management and to support the Group's long-term strategy of clearer separation between core business activities and support functions.

In management's assessment, the structural changes do not have a material impact on the Group's financial position or financial performance.

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

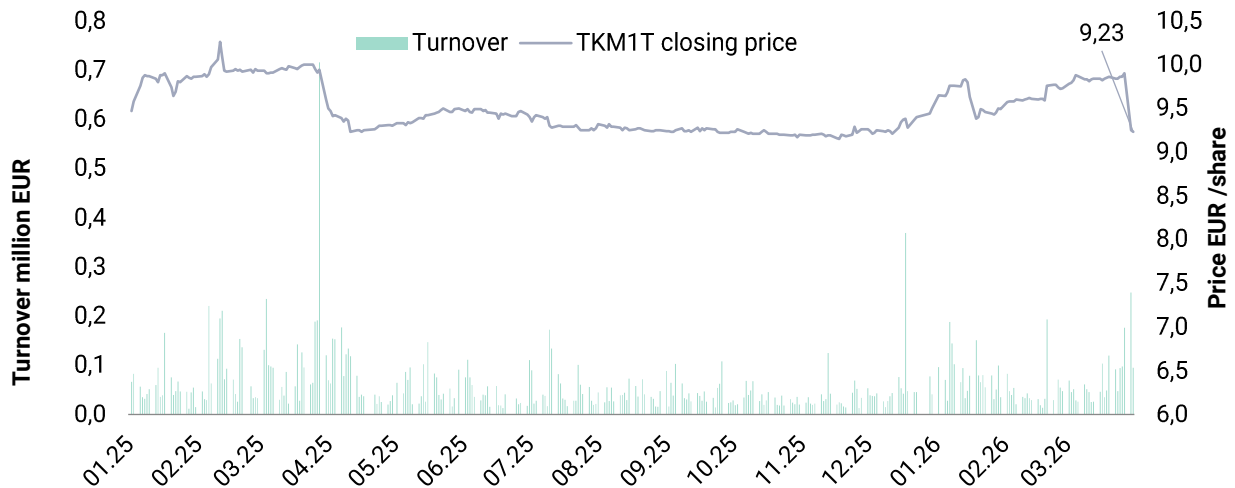
the company and its employees providing for compensation in mergers and acquisitions under article 19' of Stock Market Trade Act.

The share with a price of 9.50 euros at the end of 2025 was closed in the end of March 2026 at the level of 9.23 euros, decreased by 2.8% over the three months.

According to the notice of regular annual general meeting of the shareholders published on 19 February 2026, the management board proposed to pay dividends 0.60 euros per share. The general meeting of shareholders approved it.

Share price and trading statistics on the Nasdaq Tallinn Stock Exchange from 01.01.2025 to 31.03.2026.

In euros



SHARE	1Q/26	1Q/25
Average number of shares (1000 pcs)	40,729.2	40,729.2
Equity capital per share (EUR/share)	5.76	5.61
Share's closing price (EUR/share)	9.23	9.60
Earnings per share (EUR/share)	-0.12	-0.16

Risks

The weak economic environment and consumers' continued cautious purchasing behaviour will also pose a risk to the Group's sales performance in 2026. Although there have been moderate positive signs regarding the recovery of the economy, consumption and consumer confidence continue to be constrained by geopolitical tensions and rising interest rates.

The motor vehicle tax in force since 2025 has caused a significant downturn in the Estonian car market. In connection with the 2027 Riigikogu elections, public discussion has included speculation about the possible abolition of the motor vehicle tax. Such uncertainty may lead to the continued postponement of purchasing decisions by consumers and businesses during the current financial year, slowing the recovery of the car market and adversely affecting the financial performance of the Group's car segment. The risks to the financial performance of the Group's car segment arising from Estonia's motor vehicle tax are mitigated by the car segment's pan-Baltic business model.

Sustainable entrepreneurship

In 2025, the operations of TKM Group and its subsidiaries generated 7,347 tonnes of waste. The largest share comprised paper and cardboard (40%), followed by municipal waste (26%) and biowaste (22%). The remaining 12% consisted of various packaging waste and, to a lesser extent, hazardous waste. Waste generation is reduced through improved sorting, inventory management and reuse solutions. To reduce food waste, more than 900 tonnes of food were donated in 2025. Reducing waste and increasing circularity will remain a key focus for the Group in 2026.

A significant proportion of small electronic devices in Estonia ends up in municipal waste rather than being recycled,

and sorting is therefore being made easier for people. In cooperation with Eesti Elektroonikaromu OÜ, Selver enables customers at 29 stores to hand in small electronic devices up to 25 cm in size; clearly visible collection boxes have been installed in the stores for this purpose. In car parks managed by Selver, it is possible year-round to dispose of glass, paper and cardboard, plastic and mixed packaging. At I.L.U stores, customers can return the packaging of products purchased there and receive 50 bonus points credited to their Partner Card.

Waste generation can also be reduced by keeping items in use for longer. In cooperation with Uuskasutuskeskus, the City of Tallinn has organised recurring collection drives in the Pirita Selver car park, where a range of usable items can be brought in, from household goods to smaller domestic appliances. Uuskasutuskeskus collection points are located at the Tallinn and Tartu Kaubamaja department stores, where clean and intact clothing, footwear and accessories can be dropped off year-round.

Economic environment

According to Statistics Estonia, gross domestic product grew by 0.7% in the fourth quarter of 2025 compared with the same period of the previous year. The largest positive contribution to GDP came from manufacturing, followed by information and communication. Trade, construction, and health and social care had a negative impact on the economy. Compared with the previous year, GDP increased by 0.6% in 2025 as a whole. Analysts forecast an economic recovery in 2026. Estonia is a small and open economy, heavily dependent on developments in external markets. Unfortunately, the military conflict in the Middle East has again increased uncertainty regarding the state of the global economy and the outlook ahead. As recently as December 2025, Eesti Pank forecast GDP growth of 3.6% for 2026, but due to the new energy crisis, inflation and interest rate expectations have increased and uncertainty has risen, leading to the growth forecast being revised down to 2.8%.

According to Statistics Estonia, Estonia's consumer price index in March 2026 remained unchanged compared with February, and was up 3.6% compared with March 2025. The largest drivers of the annual increase were food (4.2%), transport (7%) and healthcare-related costs (11.7%). Within food, prices have risen the most over the year for fresh or frozen meat (9.2%), chocolate (12%) and coffee (14.2%). Transport prices were mainly affected by higher diesel and petrol prices. The rise in the consumer price index was restrained by clothing and footwear prices, which fell by 5.6% year-on-year. The impact of the new energy crisis is not yet fully reflected in the economic indicators. Energy prices, which have increased due to the Middle East conflict, and their indirect effects are keeping inflation higher than originally forecast. According to the latest forecast by Eesti Pank, prices of goods and services will increase by an average of 3.8% in 2026.

According to Statistics Estonia, average gross monthly wages increased by 5.6% in 2025, reaching 2,092 euros. The amendment to the Income Tax Act that took effect at the beginning of this year will significantly improve people's purchasing power. According to Eesti Pank's forecast, the average gross monthly wage will rise by 5.9% this year. At the same time, due to the abolition of the so-called "tax wedge", average net wages will increase by as much as 10%, which will considerably exceed the expected rise in prices.

According to Statistics Estonia, total retail turnover in Estonia at current prices increased by 9.2% in the first two months of 2026. Following a steep decline in 2025, wholesale and retail trade in motor vehicles and their repair has returned to growth, up 10.9% over the two-month period. Sales of food, beverages and tobacco products increased by 3.2% in the first two months of the year, while sales of industrial goods rose by 12.5%. According to preliminary data, a total of 4,250 new passenger cars were sold in Estonia in the first quarter of 2026, representing an increase of 100.4% compared with a year earlier, when sales were significantly lower immediately after the motor vehicle tax entered into force. In Latvia, sales of new passenger cars were up 5% year-on-year, and in Lithuania by 7%.

Economic results

Financial ratios

In million EUR	1Q/26	1Q25	Change %
Revenue	228.4	214.9	6.3%
Selver supermarkets	142.4	148.3	-4.0%
Department stores	22.8	22.7	0.4%
Car trade	55.8	37.3	49.6%
Security	5.5	4.6	19.9%
Real estate	1.8	2.0	-6.2%
Gross profit margin%	26.59%	27.22%	-2.3%
EBITDA	15.2	14.4	5.3%
Selver supermarkets	2.7	3.8	-27.4%
Department stores	-0.8	-0.8	0.8%
Car trade	2.8	1.3	119.9%
Security	0.2	0.1	211.3%
Real estate	4.2	4.1	1.6%
IFRS 16	6.1	6.0	1.9%
margin	6.65%	6.71%	-0.9%
Operating profit	4.6	3.7	24.8%
margin	2.00%	1.70%	17.5%
Net profit	-4.7	-6.5	-28.0%
margin	-2.06%	-3.05%	-32.3%
Earnings per share (EUR)	-0.12	-0.16	-28.0%
Key ratios	1Q/26	1Q25	
Return on equity (ROE)	-1.9%	-2.7%	
Return on assets (ROA)	-0.7%	-0.9%	
Quick ratio	0.85	0.97	
Debt ratio	0.67	0.66	
Inventory turnover (multiplier)	1.56	1.58	
Sales revenue per employee (in million EUR)	0.048	0.045	
Average number of employees	4,751	4,768	

Return on equity (ROE)

= Net profit / Average owners' equity * 100%

Return on assets (ROA)

= Net profit / Average total assets * 100%

Quick ratio

= Current assets / Current liabilities

Debt ratio

= Total liabilities / Balance sheet total

Inventory turnover (multiplier)

= Cost of goods sold / inventories

Sales revenue per employee

= Sales revenue / Average number of employees

Gross profit margin%

= (Sales revenue - Cost of goods sold) / Sales revenue * 100%

The Group's consolidated unaudited sales revenue for the first quarter of 2026 was 228.4 million euros. Compared with the first quarter of 2025, sales revenue increased by 6.3%. The reporting period resulted in a net loss of 4.7 million euros. Compared with the same period a year earlier, the loss was 1.8 million euros lower, including the positive effect of lower income tax expense in the amount of 1.1 million euros. Profit before tax was 2.0 million euros, increasing by 0.7 million euros compared with the result a year earlier.

The economic growth forecast for 2026 nevertheless translated into only modest growth in consumption in the first quarter. Higher utility bills during the cold winter months absorbed a significant share of household spending, while the outbreak of a new war in the Middle East led consumers to become more cautious once again. In the Group's first-quarter financial results, this was felt most clearly in food retail, i.e. the Selver supermarkets segment, where performance declined both in terms of sales revenue and profit. This was offset by the gradual recovery in car sales, which made the Group's car segment the fastest-growing segment among the Group's business segments in both sales revenue and profit. As from 1 March 2026, the Group's results have included the results of Rohe Auto AS and SKO Motors OÜ, acquired at the beginning of March. The car segment was also the main driver of the Group's overall 6.3% growth in sales revenue. In addition to the car segment, the department stores and security segment also increased sales revenue, and unlike in the previous year, the security segment also returned a small profit. The Group's gross margin declined to some extent, reflecting the sales results achieved by the car segment under pricing pressure. Gross margin did not decline in the Group's other retail segments. Staff costs increased by 3.9%, while the total number of employees decreased by 0.4%. Finance costs decreased by 0.8% compared with the previous year.

In March, a significant strategic investment in the acquisition of shares in Rohe Auto AS and the holdings in SKO Motors OÜ and SKO Motors Kinnisvara OÜ was successfully completed. Through this investment, the Group is strengthening the position of its car segment in Estonia and the Baltics, creating synergies and adding resilience to the Group's brand portfolio. Work continued on the construction of a new bodyshop adjacent to the Peetri car dealership, with opening planned for the beginning of the second quarter. Development of the new Papiniidu Selver in Pärnu and the extension of Laulasmaa Selver also continued.

At the end of the reporting period, the number of loyal customers exceeded 750 thousand, having increased by 0.5% year on year. Loyal customers accounted for 86.8% of the Group's retail revenue.

As at 31 March 2026, the Group's total assets amounted to 721.7 million euros, increasing by 5.1% compared with the position at the end of 2025, without the impact of IFRS 16.

Selver supermarkets

The consolidated sales revenue of the supermarkets segment for the first quarter of 2026 was 142.4 million euros, a decrease of 4.0% compared with the same period a year earlier. In the first quarter of 2026, 10.2 million purchases were made at Selver stores, which was 5.0% fewer than in the comparative period of the previous year. The consolidated pre-tax loss of the supermarket segment in the first quarter was 0.04 million euros, which was 0.7 million euros weaker than the result a year earlier. The consolidated net loss was 1.0 million euros. In the comparable period of the base year, net profit was 0.09 million euros. The difference between net profit and profit before income tax arises from income tax paid on dividends – this year, dividend income tax was 0.4 million euros higher than a year earlier.

Selver's sales performance has been affected by weakened consumer purchasing power and intensified competition, in which it is difficult to increase sales revenue with the existing store base alone. Revenue performance has been affected in part by a higher comparison base due to one additional store and by a considerable decline in sales of industrial goods in the supermarket segment. One of the contributing factors was also that, this year, Easter fell in the second quarter, whereas in the base year it fell in the first quarter. Sales revenue from food products remained at a level close to that of the previous year, while sales volumes, similarly to the wider market segment, remained below the previous year's level. According to Statistics Estonia, the sales revenue of food stores in current prices increased by 3.2% in the first two months of 2026, while sales volumes declined by approximately 2%.

The financial results for the first quarter of 2026 were mainly affected by the decline in sales volumes. As regards operating expenses, the company has successfully coped with the upward pressure on input prices for various services and materials and with optimising expenditure volumes. However, market price increases in energy costs (electricity, heating and fuel) have still had a negative effect on the company's operating expenses, increasing operating costs by several hundred thousand euros and slightly reducing the company's operating cost efficiency ratio. Continuous improvements in work processes have made it possible to keep labour costs 1.2% below the base year level.

This year, Selver plans to open two new stores and to renovate and expand one existing store. In the first half of the year, Laulasmaa Selver is being renovated and expanded. The extension works are proceeding according to schedule, and in May the store will be temporarily closed to customers for a couple of weeks. In the second half of the year, Selver will open Papiniidu Selver in Pärnu, while operations at Pärnu Mai Selver will be discontinued due to the expiry

of the lease agreement. Loo Selver in Jõelähtme Parish will also be opened in the second half of the year. There are also plans to convert the refrigeration equipment of one store to a CO₂ system in order to improve cost efficiency and reduce negative climate impact. The focus remains on improving supply chain efficiency, preparations for the implementation of the Relex inventory management solution, and increasing volumes on the Bolt Market and Wolt platforms.

The supermarket segment continues its strategic focus on developing sustainable and customer-centric solutions. In order to reduce environmental impact, Selver has taken steps towards paperless administration. The company has significantly reduced the mass mailing of customer leaflets, directing paper-based direct mail only to selected campaigns or areas. At Kulinaaria, active product development has further improved the flavours of its ready-meal range and reduced packaging use. The assortment of Selver and Delice stores was supplemented with the Grøn Balance product range, a Scandinavian white-label brand that is sold exclusively in Estonia through the Selver retail chain. The range includes environmentally friendly laundry, cleaning and personal care products, as well as baby products and nappies. The range is aimed primarily at allergy sufferers and children and carries the internationally recognised Nordic Swan Ecolabel and Asthma Allergy Nordic certifications, confirming the safety and environmental sustainability of the products. At the same time, Selver continues to expand measures supporting healthier customer choices by offering a 15% discount on fruit and vegetables every Friday to encourage balanced and varied nutrition.

As at the end of the year, the supermarket segment comprises 72 Selver stores, 2 Delice stores, the mobile store and a café, with a total sales area of 124.3 thousand m². In addition, the segment includes e-Selver, the online store with the largest service area in Estonia, and the central kitchen Kulinaaria OÜ.

Department stores

The sales revenue of the department stores segment in the first quarter of 2026 was 22.8 million euros, which was 0.4% higher than in the same period of the previous year. The pre-tax loss amounted to 1.8 million euros, increasing by 0.07 million euros compared with the same period last year.

In the first quarter, the sales revenue of the department stores per square metre of selling space was 0.3 thousand euros per month, which was 1% higher than in the comparable period of the previous year. This year's winter discount campaign began with proper winter weather, which contributed to a strong campaign performance and left winter goods inventories at a lower level after the campaign than last year, when the winter months were on average warmer. Although high utility bills had a negative impact on February sales, the spring season began very positively in March both in the fashion departments and with the Beauty Time campaign, despite the excavation works taking place on Laikmaa Street in Tallinn, delivering the strongest growth ever recorded. The children's department in Tallinn, which was refurbished in March last year, has attracted customer interest in its assortment and has delivered better results in both department stores and in the e-store. With its distinctive assortment, the food department has moved against the declining trend in Estonia's food retail sector and continues to post monthly growth both in customer numbers and in performance. Changes in digital marketing have significantly increased traffic to the e-store and, as a result, improved performance compared with the previous year.

The sales revenue of TKM Beauty Eesti OÜ, which operates the I.L.U. cosmetics stores, amounted to 1.8 million euros in the first quarter of 2026, representing a decrease of 3.3% compared with the same period in 2025. In the first quarter, the loss was 0.1 million euros, which was 0.04 million euros weaker than the profit reported in the comparable period of 2025. Colder-than-usual weather in January and February favoured purchases of winter sports and fashion goods, leaving beauty products in the background. This affected sales revenue and created pressure for deeper promotional campaigns.

Car trade

The sales revenue of the car segment in the first quarter of 2026 was 55.8 million euros. Sales revenue increased by 49.6% compared with the previous year. The segment's consolidated pre-tax profit in the first quarter was 2.1 million euros, tripling compared with the same period a year earlier. As from 1 March 2026, the results of Rohe Auto AS and SKO Motors OÜ, acquired at the beginning of March, have been consolidated into the results of the car segment. A total of 1,499 new vehicles were sold in the first quarter.

In the first quarter, the Estonian car market returned to strong growth (100.4%), although this does not yet indicate a full recovery of the Estonian car market. Growth was driven mainly by a low comparison base, while sales continued to take place under pricing pressure and with larger discounts. In Latvia and Lithuania, the new passenger car market remained on a stable path of moderate growth. In the first quarter, the Group's car segment succeeded in increasing both sales revenue and profit. Results were supported by the stable, albeit moderate, growth of the Group's Baltic car dealerships and by the launch of new KIA models by the importer. During the quarter, the Group's car companies focused on improving sales processes, more specifically through targeted marketing campaigns and increasing the

share of electric vehicle models.

The most significant event in the Group's car segment in the first quarter of 2026 was the acquisition in Tallinn of two Škoda dealerships – Rohe Auto AS and SKO Motors OÜ. This strategic step strengthens the position of the car segment in the Estonian car market and expands the Group's cooperation with the Škoda importer to Tallinn in addition to Riga and Vilnius, making the Group the largest Škoda dealer in the Baltics.

In Lithuania, the growth of the car segment is supported by the new KIA-Škoda multi-brand dealership in Vilnius, opened in November last year, which makes it possible to offer customers a wider choice of vehicles and significantly improves sales and service capacity in the largest market in the Baltics. The Lithuanian dealership has been well received by customers and has started operations as planned. The dealership's modern infrastructure and the concentration of several brands under one roof create a strong basis for growth in sales volumes. In Estonia, construction of Viking Motors' new and modern body repair workshop in Tallinn is continuing, with opening planned for the beginning of the second quarter. This will be the largest and most technologically advanced vehicle body repair workshop in the region, enabling substantially more work to be carried out than before.

The expanded KIA model range supports the direction of the Group's car business to increase its presence both in the electric vehicle segment and in the compact SUV category, particularly in light of growing consumer interest in more affordable electric cars.

Security segment

The security segment's external sales revenue for the first quarter of 2026 was 5.5 million euros, representing growth of 19.9% compared with the same period of the previous year. The segment's pre-tax profit for the first quarter amounted to 0.01 million euros, which was an improvement of 0.15 million euros compared with the same period last year.

In the first quarter, the segment continued to improve its results. Of the business areas, the strongest growth was delivered by the security technology projects business, where profitability also recovered and the contract portfolio increased. Owing to the challenging economic environment, pressure on profit margins remains in the highly competitive market and customers continue to be price sensitive. The increase in fuel prices that began at the end of February is bringing further direct and indirect increases in input costs. The focus remains on efficiency, the addition of new services and sales growth.

Real estate

The real estate segment's external sales revenue for the first quarter of 2026 was 1.8 million euros, which was 6.2% lower than in the same period last year. During the reporting period, the segment earned pre-tax profit of 2.2 million euros, which was 1.9% lower than in the comparative period.

The decline in quarterly sales revenue was partly attributable to changes in the rental space and reconstruction works at Tartu Kaubamaja Centre. In the autumn, one of Estonia's most modern sports clubs, MyFitness, will open on the second floor of the building, operating on more than 1,500 square metres of space. In April, a new footwear store will begin operations in the centre. In addition, the segment's quarterly sales revenue was reduced by the sale, at the beginning of last year, of commercial buildings leased by the Latvian real estate company to external customers.

The moderate decline in the real estate segment's quarterly profit was due primarily to higher depreciation costs related to the addition of new buildings and to lower external sales revenue. Profit was supported by growth in intra-group sales revenue and lower loan interest expense. In Vilnius, a new KIA and Škoda showroom together with a service building was opened at the end of last year. At the end of last year, the real estate segment also acquired Ülemiste Autokeskus.

Extension and reconstruction works are continuing at Laulasmaa Selver. In April, the bodyshop building being constructed next to the KIA sales and service centre in Peetri, on the outskirts of Tallinn, will be completed.

Personnel

The Group's average number of employees in the first quarter of 2026 was 4,751, representing a decrease of 0.4% compared with the same period in 2025. Total staff costs (wages and social tax) for the first three months of 2026 amounted to 29.4 million euros, increasing by 3.9% compared with the same period of the previous year. The average monthly wage cost per employee increased by 4.3% compared with the average wage in the first quarter of 2025.

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, 10 April 2026

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 first quarter of 2026 as set out on pages 13 - 34.

The Chairman of the Management Board confirms that:

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



Raul Puusepp
Chairman of the Management Board

Tallinn, 10 April 2026

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros

	Note	31.03.2026	31.12.2025
ASSETS			
Current assets			
Cash and cash equivalents	2	32,529	29,516
Trade and other receivables	3	25,166	23,628
Inventories	5	107,738	101,186
Total current assets		165,433	154,330
Non-current assets			
Long-term receivables and prepayments	8	218	217
Investments in associates	7	1,794	1,860
Investment property	9	76,191	76,162
Property, plant and equipment	10	448,493	438,977
Intangible assets	11	29,565	26,429
Total non-current assets		556,261	543,645
TOTAL ASSETS		721,694	697,975
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	12	59,170	63,536
Trade and other payables	13	135,434	104,955
Total current liabilities		194,604	168,491
Non-current liabilities			
Borrowings	12	283,657	256,942
Trade and other payables	13	1,385	1,386
Deferred tax liabilities	14	6,897	6,893
Provisions for other liabilities and charges		550	510
Total non-current liabilities		292,489	265,731
TOTAL LIABILITIES		487,093	434,222
Equity			
Share capital	15	16,292	16,292
Statutory reserve capital		2,603	2,603
Revaluation reserve		119,862	120,630
Retained earnings		95,844	124,228
TOTAL EQUITY		234,601	263,753
TOTAL LIABILITIES AND EQUITY		721,694	697,975

The notes presented on pages 18 to 34 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	3 months 2026	3 months 2025
Revenue	16	228,393	214,934
Other operating income		614	329
Cost of merchandise	5	-167,654	-156,424
Services expenses	17	-16,346	-15,751
Staff costs	18	-29,406	-28,303
Depreciation, amortisation and impairment losses	10, 11	-10,622	-10,766
Other expenses		-422	-368
Operating profit		4,557	3,651
Finance income		119	279
Finance costs		-2,688	-2,709
Share of net profit of associates accounted for using the equity method	7	34	56
Profit before tax		2,022	1,277
Income tax expense	15	-6,736	-7,826
NET PROFIT FOR THE FINANCIAL YEAR		-4,714	-6,549
Other comprehensive income:			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Other comprehensive income for the financial year		0	0
TOTAL COMPREHENSIVE PROFIT FOR THE FINANCIAL YEAR		-4,714	-6,549
Basic and diluted earnings per share (euros)	19	-0.12	-0.16

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

The notes presented on pages 18 to 34 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros

	Note	3 months 2026	3 months 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss		-4,714	-6,549
Adjustments:			
Interest expense		2,688	2,709
Interest income		-119	-279
Depreciation, amortisation and impairment losses	10, 11	10,619	10,749
Loss on write-off property, plant and equipment	10	3	17
Profit/loss on sale of property, plant and equipment	10	-44	-14
Profit from the shares of an associated company using the equity method	7	-34	-56
Interest paid on lease liabilities	12	-1,496	-1,302
Change in inventories		-2,288	-1,880
Change in receivables and prepayments related to operating activities		851	10,942
Change in liabilities and prepayments related to operating activities		1,561	-8,388
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		7,027	5,949
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	-3,845	-3,486
Proceeds from sale of property, plant and equipment	10	573	205
Purchase of investment property	9	-29	-78
Proceeds from sale of investment property	9	0	5,080
Purchase of intangible assets	11	-230	-255
Business combination	6	-25,500	0
Cash acquired from business combination	6	4,623	0
Dividends received	7	100	0
Interest received		119	279
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES		-24,189	1,745
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	12	28,935	1,269
Repayments of borrowings	12	-5,945	-5,801
Change in overdraft balance	12	2,990	-741
Payments of principal of leases	12	-4,605	-4,683
Interest paid		-1,200	-1,424
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES		20,175	-11,380
TOTAL CASH FLOWS		3,013	-3,686
Cash and cash equivalents at the beginning of the period	2	29,516	45,454
Cash and cash equivalents at the end of the period	2	32,529	41,768
Net change in cash and cash equivalents		3,013	-3,686

The notes presented on pages 18 to 34 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

In thousands of euros

	Share capital	Statutory reserve capital	Revaluation reserve	Retained earnings	Total
Balance as of 31.12.2024	16,292	2,603	112,167	130,466	261,528
Net profit for the reporting period	0	0	0	-6,549	-6,549
Total comprehensive loss for the reporting period	0	0	0	-6,549	-6,549
Reclassification of depreciation of revalued land and buildings	0	0	-677	677	0
Dividends declared	0	0	0	-26,474	-26,474
Total transactions with owners	0	0	0	-26,474	-26,474
Balance as of 31.03.2025	16,292	2,603	111,490	98,120	228,505
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 paid	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
Net loss for the reporting period	0	0	0	-4,714	-4,714
Total comprehensive loss for the reporting period	0	0	0	-4,714	-4,714
Reclassification of depreciation of revalued land and buildings	0	0	-768	768	0
Dividends declared	0	0	0	-24,438	-24,438
Total transactions with owners	0	0	0	-24,438	-24,438
Balance as of 31.03.2026	16,292	2,603	119,862	95,844	234,601

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

The notes presented on pages 18 to 34 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 2025. 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 first quarter of 2026 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

	31.03.2026	31.12.2025
Cash on hand	970	1,224
Bank accounts	30,615	1,665
Overnight deposit	0	25,666
Cash in transit	944	961
Total cash and cash equivalents	32,529	29,516

Note 3. Trade and other receivables

in thousands of euros

	31.03.2026	31.12.2025
Trade receivables (Note 4)	19,424	20,133
Other short-term receivables	1,264	941
Total financial assets from balance sheet line "Trade and other receivables"	20,688	21,074
Prepayment for goods	235	203
Other prepaid expenses	3,667	2,098
Prepaid rental expenses	16	15
Prepaid taxes (Note 14)	560	238
Total trade and other receivables	25,166	23,628

Note 4. Trade receivables

in thousands of euros

	31.03.2026	31.12.2025
Trade receivables	17,762	16,437
Allowance for doubtful receivables	-84	-79
Receivables from related parties (Note 20)	251	368
Credit card payments (receivables)	1,495	3,407
Total trade receivables	19,424	20,133

Note 5. Inventories

in thousands of euros

	31.03.2026	31.12.2025
Goods purchased for resale	107,085	100,466
Tare and materials	653	720
Total inventories	107,738	101,186

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

	3 months 2026	3 months 2025
Write-down and write-off of inventories	3,390	3,578
Inventory stocktaking deficit	807	761
Total materials and consumables used	4,197	4,339

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 31.03.2026	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
Rohe Auto AS	Estonia, Tallinn	Retail trade	100%	2026
SKO Motors OÜ	Estonia, Tallinn	Retail Trade	100%	2026
SKO Motors Kinnisvara OÜ	Estonia, Tallinn	Real estate management	100%	2026

Business combinations in 2026:

Name	Location	Area of activity	Acquisition date	Ownership %
Rohe Auto AS	Estonia	Retail trade	11.03.2026	100%
SKO Motors OÜ	Estonia	Retail Trade	11.03.2026	100%
SKO Motors Kinnisvara OÜ	Estonia	Real estate management	11.03.2026	100%

On 11 March 2026, the subsidiary TKM Auto OÜ of TKM Grupp AS acquired:

-100% of the shares of Rohe Auto AS

-100% of the shares of SKO Motors OÜ

-100% of the shares of SKO Motors Kinnisvara OÜ

The main activities of Rohe Auto AS and SKO Motors OÜ are the sale of vehicles under the Škoda brand, retail and wholesale of spare parts and accessories, and the provision of maintenance and repair services in the Tallinn and Harju County region. They also engage in the sale of used cars and offer consignment sales services to customers.

The activity of SKO Motors Kinnisvara OÜ is real estate management, and it owns a property located at Pärnu mnt 543, Jälgimäe village, Saku municipality, Harju County.

The objective of TKM Grupp AS has been to expand its operations in the automotive trade sector, which has consistently been one of the Group's strategic business segments since 2007. The Group's automotive segment consists of the independent KIA importer for the Baltic countries and from now a total of eight car sales and service centres operating in Estonia, Latvia and Lithuania. The Group sells KIAs in Estonia, Latvia and Lithuania, and Škodas previously already in Latvia and Lithuania, and is also a Peugeot dealer in Estonia and Latvia. Acquiring the Škoda dealership rights is a logical step in expanding and aligning the Group's brand portfolio, enabling it to offer customers a broader selection.

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

in thousands of euros	Fair value
Cash and cash equivalents	2,923
Trade receivables	1,134
Other receivables	5,517
Inventories	1,433
Property, plant and equipment	9,116
Goodwill (Note 11)	2,645
Liabilities	-2,966
Total identifiable net assets	19,802
Consideration of ownership interest	19,802
Paid for ownership interest in cash	19,802
Cash and cash equivalents in the acquired entity	-2,923
Net outflow of cash – investing activities	16,879

Goodwill 2 645 thousand euros was acquired (Note 11).

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

in thousands of euros	Fair value
Cash and cash equivalents	1,700
Trade receivables	570
Other receivables	170
Inventories	3,528
Property, plant and equipment	3,966
Goodwill (Note 11)	530
Liabilities	-6,495
Total identifiable net assets	3,969
Consideration of ownership interest	3,969
Paid for ownership interest in cash	3,969
Cash and cash equivalents in the acquired entity	-1,700
Net outflow of cash – investing activities	2,269

Goodwill 530 thousand euros was acquired (Note 11).

The table below provides an overview of acquired identifiable assets and liabilities of SKO Motors Kinnisvara OÜ at the time of acquisition.

in thousands of euros	Fair value
Property, plant and equipment	1,729
Total identifiable net assets	1,729
Consideration of ownership interest	1,729
Paid for ownership interest in cash	1,729
Cash and cash equivalents in the acquired entity	0
Net outflow of cash – investing activities	1,729

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.

In 2025, there were no business combinations.

Note 7. Investments in associates

in thousands of euros

TKM Grupp AS has ownership of 50% (2025: 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.

	31.03.2026	31.12.2025
Investment in the associate at the beginning of the year	1,860	1,733
Profit for the reporting period under equity method	34	297
Dividends received	-100	-170
Investment in the associate at the end of the accounting period	1,794	1,860

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

	31.03.2026	31.12.2025
Current assets	318	447
Property, plant and equipment	3,334	3,344
Current liabilities	65	65
Owners' equity	3,588	3,726
	3 months 2026	3 months 2025
Revenue	150	145
Net profit	62	116

Note 8. Long-term receivables and prepayments

in thousands of euros

	31.03.2026	31.12.2025
Prepaid rental expenses	182	183
Deferred tax asset	27	27
Other long-term receivables	9	7
Total long-term trade and other receivables	218	217

Note 9. Investment property

in thousands of euros

in thousands of euros

Carrying value as at 31.12.2024	81,284
Purchases and improvements	569
Reclassification from property, plant and equipment (Note 10)	-1,051
Proceeds from sale	-5,080
Net profit from fair value adjustment	440
Carrying value as at 31.12.2025	76,162
Purchases and improvements	29
Carrying value as at 31.03.2026	76,191

Investment properties comprise with commercial buildings, logistic centre 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 3 months of 2026 amounted to 29 thousand euros (2025: 569 thousand euros).

During the reporting period, construction work was carried out in Tartu in the amount of 29 thousand euros. In 2025, 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 2025, 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 2025, SIA TKM Latvija sold investment properties in Salaspils and Kuldīga in Latvia for a total of 5,080 thousand euros. No fair value change of investment property was identified in 2026.

Note 10. Property, plant and equipment

in thousands of euros

	Land and buildings	Right-of use-as-sets: retail properties	Machinery and equipment	Other fix-tures and fittings	Construction and projects in progress	Total
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
Changes occurred in 2026						
Purchases and improvements	531	0	308	905	2,101	3,845
Acquired through business combinations (Note 6)	11,154	0	3,079	544	20	14,797
Other reclassifications	4	0	71	-4	0	71
Reclassification to inventory	-147	0	-88	0	0	-235
Reclassification to property, plant and equipment from inventory	234	0	490	206	1	931
Disposals	-50	0	-460	-19	0	-529
Write-offs	-1	0	-2	0	0	-3
Adjustment to right-of use assets	0	974	0	0	0	974
Depreciation	-1,976	-5,050	-1,858	-1,451	0	-10,335
31.03.2026						
Cost or revalued amount	232,059	285,407	83,483	65,900	31,713	698,562
Accumulated depreciation and impairment	-2,688	-132,515	-57,619	-47,980	-9,267	-250,069
Carrying value	229,371	152,892	25,864	17,920	22,446	448,493

The cost of investments for the 3 months of 2026 amounted to 4,075 thousand euros (including purchases of property, plant and equipment in the amount of 3,845 thousand euros and purchases of intangible assets amounted to 230 thousand euros).

The cost of purchases of property, plant and equipment made in reporting period in the supermarkets business segment was 1,107 thousand euros. During the reporting period, computing equipment was purchased, the store fittings were renewed and security equipment was purchased.

The cost of purchases of property, plant and equipment in the business segment of department stores amounted to 511 thousand euros. During the reporting period, Men's World underwent a renovation in Kaubamaja in Tallinn.

The cost of purchases of property, plant and equipment in the reporting period was 1,016 thousand euros in the car trade business segment.

The cost of purchases of property, plant and equipment in the reporting period was 270 thousand euros in the security business segment.

The cost of purchases of property, plant and equipment in the real estate business segment amounted to 941 thousand euros. During the reporting period, construction works continue on the bodywork workshop being built next to the Viking Motors Peetri car dealership, which was launched in 2025. During the reporting period, several store building renovation projects are also ongoing, with the aim of modernising the buildings and bringing them into line with current business needs. As part of the renovation works, the energy efficiency of the buildings will be improved.

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

Note 11. Intangible assets

in thousands of euros

	Goodwill	Trade-mark	Beneficial agreements	Capitalised development expenditure	Total
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
Changes occurred in 2026					
Purchases and improvements	0	0	0	230	230
Acquired through business combinations (Note 6)	3,175	0	0	15	3,190
Amortisation	0	-73	-4	-207	-284
31.03.2026					
Cost	22,224	2,243	120	9,785	34,372
Accumulated amortisation and impairment	0	-1,816	-87	-2,904	-4,807
Carrying value	22,224	427	33	6,881	29,565

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 230 thousand euros (2025: 1,475 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	31.03.2026	31.12.2025
Supermarkets	13,609	13,609
Car trade	6,331	3,156
Security	2,284	2,284
Total	22,224	19,049

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

Note 12. Borrowings

in thousands of euros	31.03.2026	31.12.2025
Short-term borrowings		
Overdraft	7,074	4,084
Bank loans	30,943	32,129
Lease liabilities	13,912	18,554
Other borrowings	7,241	8,769
Total short-term borrowings	59,170	63,536

in thousands of euros	31.03.2026	31.12.2025
Long-term borrowings		
Bank loans	117,103	92,424
Lease liabilities	155,869	154,858
Other borrowings	10,685	9,660
Total long-term borrowings	283,657	256,942
Total borrowings	342,827	320,478

Borrowings received

in thousands of euros	3 months 2026	3 months 2025
Overdraft	2,990	0
Bank loans	26,750	0
Other borrowings	2,185	1,269
Total borrowings received	31,925	1,269

Borrowings paid

in thousands of euros	3 months 2026	3 months 2025
Overdraft	0	741
Bank loans	3,257	2,995
Lease liabilities	4,605	4,683
Other borrowings	2,688	2,806
Total borrowings paid	10,550	11,225

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 31.03.2026, the repayment dates of bank loans are between 06.04.2026 and 07.05.2039 (2025: between 02.01.2025 and 07.05.2039), interest is tied both to 3-month and 6-month EURIBOR. Weighted average interest rate was 3.24% (2025: 3,22%).

Lease agreements that form lease liabilities have been concluded for the term until 01.09.2045. Lease liability recorded in the balance sheet is recognised as a result of adoption of IFRS 16. In discounting, an alternative loan interest rate has been used in concluding the contract or upon initial application of IFRS 16. Weighted average interest rate used was 3.0% (31.12.2025: 2.97%).

Net debt reconciliation

in thousands of euros

	31.03.2026	31.12.2025
Cash and cash equivalents (Note 2)	32,529	29,516
Short-term borrowings	-59,170	-63,536
Long-term borrowings	-283,657	-256,942
Net debt	-310,298	-290,962
Cash and cash equivalents (Note 2)	32,529	29,516
Gross debt – fixed interest rates	-169,781	-173,412
Gross debt – variable interest rates	-173,046	-147,066
Net debt	-310,298	-290,962

	Cash and cash equivalents	Overdraft	Borrowings	Lease liabilities	Total
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
Cash flow (principal and interest)	3,013	-2,990	-21,790	6,101	-15,666
Interest accrued	0	0	-1,200	-1,496	-2,696
Revaluation of lease liabilities	0	0	0	-974	-974
Net debt 31.03.2026	32,529	-7,074	-165,972	-169,781	-310,298

Note 13. Trade and other payables

in thousands of euros

	31.03.2026	31.12.2025
Trade payables	71,033	69,365
Payables to related parties (Note 20)	3,374	4,292
Other accrued expenses	799	315
Prepayments by tenants	2,322	2,109
Total financial liabilities from balance sheet line "Trade and other payables"	77,528	76,081
Taxes payable (Note 14)	11,595	13,102
Dividends declared (Note 15)	24,438	0
Income tax liability on dividends (Note 15)	6,730	0
Employee payables	10,961	11,097
Prepayments	4,127	4,540
Provisions for other liabilities and charges	55	135
Total trade and other payables	135,434	104,955
Long-term tenant security deposits	1,338	1,338
Other long term liabilities	47	48
Total long-term trade and other payables	1,385	1,386

Note 14. Taxes

in thousands of euros

	31.03.2026		31.12.2025	
	Prepaid taxes	Taxes payable	Prepaid taxes	Taxes payable
Prepaid taxes	560	0	238	0
Value added tax	0	4,186	0	6,164
Personal income tax	0	2,075	0	1,962
Social security taxes	0	4,781	0	4,388
Corporate income tax	0	44	0	135
Unemployment insurance	0	297	0	281
Mandatory funded pension	0	212	0	172
Total taxes	560	11,595	238	13,102

As of 31.03.2026 deferred tax liability on dividends in the amount of 6,801 thousand euros (31.12.2025: 6,801 thousand euros) is recorded in the balance sheet.

Note 15. Share capital

As of 31.03.2026 and 31.12.2025, 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 2026, dividends were declared to the shareholders in the amount of 24,438 thousand euros, or 0.60 euros per share. Related income tax expense on dividends amounted to 6,730 thousand euros.

In 2025, dividends were paid to the shareholders in the amount of 26,474 thousand euros, or 0.65 euros per share. Related income tax expense on dividends amounted to 7,824 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

3 months 2026	Super- markets	Depart- ment store	Car trade	Security	Real estate	Inter- segment transact- ions	Impact of lease account- ing	Total seg- ments
External revenue	142,392	22,837	55,814	5,512	1,838	0	0	228,393
Inter-segment revenue	383	1,311	92	1,747	3,956	-7,489	0	0
Total revenue	142,775	24,148	55,906	7,259	5,794	-7,489	0	228,393
EBITDA	2,733	-759	2,764	165	4,175	0	6,101	15,179
Segment depreciation and impairment losses (Note 10,11)	-2,755	-786	-524	-127	-1,380	0	-5,050	-10,622
Operating profit/loss	-22	-1,545	2,240	38	2,795	0	1,051	4,557
Finance income	214	190	8	0	235	-528	0	119
Finance income on shares of associates (Note 7)	0	34	0	0	0	0	0	34
Finance costs	-235	-436	-147	-24	-878	528	-1,496	-2,688
Income tax	-948	0	-1,384	0	-4,404	0	0	-6,736
Net profit/loss	-991	-1,757	717	14	-2,252	0	-445	-4,714
incl. in Estonia	-991	-1,757	913	14	-2,322	0	-445	-4,588
incl. in Latvia	0	0	-24	0	52	0	0	28
incl. in Lithuania	0	0	-172	0	18	0	0	-154
Segment assets	147,613	96,456	87,023	9,397	333,428	-105,115	152,892	721,694
Segment liabilities	110,068	95,365	44,333	6,861	135,040	-74,355	169,781	487,093
Segment investments in property, plant and equipment (Note 10)	1,107	511	1,016	270	941	0	0	3,845
Segment investments in intangible assets (Note 11)	2	227	1	0	0	0	0	230

in thousands of euros

3 months 2025	Super- markets	Depart- ment store	Car trade	Security	Real estate	Inter- segment transact- ions	Impact of lease account- ing	Total seg- ments
External revenue	148,309	22,748	37,319	4,598	1,960	0	0	214,934
Inter-segment revenue	228	1,269	95	1,548	3,690	-6,830	0	0
Total revenue	148,537	24,017	37,414	6,146	5,650	-6,830	0	214,934
EBITDA	3,765	-753	1,257	53	4,110	0	5,985	14,417
Segment depreciation and impairment losses (Note 10,11)	-3,043	-797	-412	-169	-1,207	0	-5,138	-10,766
Operating profit/loss	722	-1,550	845	-116	2,903	0	847	3,651
Finance income	216	328	34	0	312	-611	0	279
Finance income on shares of associates (Note 7)	0	56	0	0	0	0	0	56
Finance costs	-279	-520	-179	-19	-1,021	611	-1,302	-2,709
Income tax	-564	0	-2,259	0	-5,003	0	0	-7,826
Net profit/loss	95	-1,686	-1,559	-135	-2,809	0	-455	-6,549
incl. in Estonia	95	-1,686	-1,567	-135	-2,395	0	-455	-6,143
incl. in Latvia	0	0	5	0	-378	0	0	-373
incl. in Lithuania	0	0	3	0	-36	0	0	-33
Segment assets	145,245	88,288	53,820	7,902	323,210	-89,917	152,753	681,301
Segment liabilities	99,117	89,377	24,746	5,473	124,657	-58,155	167,581	452,796
Segment investments in property, plant and equipment	897	481	284	80	1,744	0	0	3,486
Segment investments in intangible assets	0	251	4	0	0	0	0	255

External revenue according to types of goods and services sold

in thousands of euros

	3 months 2026	3 months 2025
Retail revenue	200,995	191,795
Wholesale revenue	12,641	9,942
Rental income	2,868	2,992
Revenue for rendering services	11,889	10,205
Total revenue	228,393	214,934

External revenue by client location

in thousands of euros

	3 months 2026	3 months 2025
Estonia	213,019	200,432
Latvia	7,242	6,488
Lithuania	8,132	8,014
Total	228,393	214,934

Distribution of non-current assets* by location of assets

in thousands of euros

	31.03.2026	31.12.2025
Estonia	520,694	507,895
Latvia	20,197	20,354
Lithuania	13,576	13,536
Total	554,467	541,785

* 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

	3 months 2026	3 months 2025
Rental expenses	150	205
Heat and electricity expenses	3,828	3,421
Expenses related to premises	2,751	2,861
Cost of services and materials related to sales	1,992	1,866
Marketing expenses	2,309	2,541
Other operating expenses	1,517	1,501
Computer and communication costs	2,474	2,090
Expenses related to personnel	1,325	1,266
Total other operating expenses	16,346	15,751

Note 18. Staff costs

in thousands of euros

	3 months 2026	3 months 2025
Wages and salaries	22,421	21,523
Social security taxes	6,985	6,780
Total staff costs	29,406	28,303
Average number of employees converted to full-time equivalents	4,751	4,768
Member of the management or supervisory body of a legal entity	7	7

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.

	3 months 2026	3 months 2025
Net profit/loss (in thousands of euros)	-4,714	-6,549
Weighted average number of shares	40,729,200	40,729,200
Basic and diluted earnings per share (euros)	-0.12	-0.16

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 3 months 2026	Sales 3 months 2026	Purchases 3 months 2025	Sales 3 months 2025
Parent	68	61	68	204
Entities in the Parent's consolidation group	8,069	1,119	7,190	1,178
Members of management and supervisory boards	0	66	0	6
Other related parties	28	4	15	0
Total	8,165	1,250	7,273	1,388

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:

	31.03.2026	31.12.2025
Receivables from entities in the in the Parent's consolidation group	251	368
Total receivables from related parties (Note 4)	251	368
	31.03.2026	31.12.2025
Parent	28	41
Entities in the Parent's consolidation group	3,345	4,249
Other related parties	1	2
Total liabilities to related parties (Note 13)	3,374	4,292

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 2026, the Group has earned interest income on its deposits of available funds in the amount of 61 thousand euros, interest rate 1.91% (2025: 367 thousand euros, interest rate 1.26%). As at 31 March 2026 and 31 December 2025, 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 1,711 thousand euros (2025 3 months: 1,800 thousand euros). Short-term benefits to supervisory boards' members of the Group in reporting period including social taxes amounted to 254 thousand euros (2025 3 months: 248 thousand euros).

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