AS TALLINNA VESI

Consolidated Interim Report for the 3rd quarter of 2026

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MANAGEMENT REPORT

In the third quarter of 2026, we continued to provide high quality water supply and sewerage services and continued investment projects to ensure the sustainability of our services. During the quarter, the company pumped 6.85 million m^3 of clean drinking water into the water network and treated over 12.78 million m^3 of wastewater.

Group's sales

The Tallinna Vesi Group's sales in the third quarter of 2026 were €18.32 million, increasing 0.8%, or 0.15 million compared to the same period of the previous year. Sales were most affected by the increase in revenue from the sales of water services, while revenue from construction services fell by 33.2%, or 0.67 million, due to a drop in pipe construction projects.

Revenue from the sale of water services increased by 4.5%, or €0.71 million, compared to the third quarter of last year, reaching €16.42 million. The sales were affected by a change in prices, which resulted from the need for investment and the move towards harmonising water prices. The obligation to offer a uniform price to private and business customers from 1 July 2026 stems from the Public Water Supply and Sewerage Act. The price change to this effect was approved by the Competition Authority in May and it came into force on the date specified by law. At the same time, the company introduced a new, pollution-load-based pricing, meaning that customers whose activities cause more pollution will now have to pay more for wastewater treatment services.

The company's operating profit in the third quarter was €5.47 million, which is 8.1% lower compared to the same period last year. The company's net profit has decreased by €1.0 million. The quarter ended with a profit of €3.96 million. The result was impacted by an increase in interest expenses and a decrease in revenue from construction services, as well as an increase in operating expenses.

In the third quarter, investments were made in the amount of €16.4 million, which is nearly 13.2% more than in the same period in 2025. In 2026, Tallinna Vesi will continue to invest in ensuring a clean environment, as well as maintaining the high quality and continuity of its service.

High-quality water supply and sewerage services

During the third quarter of 2026, we provided reliable and secure water supply and sewerage services, as demonstrated by the quality indicators that remain at a consistently high level. Tap water quality was excellent throughout the quarter, meeting 99.4% of all quality requirements. During the third quarter, 704 water samples were taken.

A survey on the strength of customer relationships, conducted in early summer in cooperation with the research company Emor, showed that the percentage of those who drink tap water reached as high as 92%, proving that people trust tap water. This is also reflected in the popularity of public drinking water taps.

Clean tap water has been ensured through an efficient water treatment process and regular monitoring of the water distribution network, along with the ongoing preventive maintenance activities and timely investments.

We mainly use ice pigging technology to maintain our water networks. Using this technique, we cleaned 31 km of water mains in the third quarter. Since the introduction of ice pigging, 575 km of water mains have been cleaned using this method. This helps to ensure a consistent supply of high-quality drinking water from the public water supply system. Ice pigging that is currently unique in the Nordic countries is a pipe cleaning technology that involves pumping an ice slurry made of water and table salt through a pipe.

Thanks to the prompt action of our staff, one water interruption lasted an average of 1 hour and 56 minutes in the third quarter, which is nearly half an hour less compared to the previous year. To reduce

the inconvenience caused by interruptions to water service, we continue installing additional isolation valves on the water network.

The quality of wastewater treated at the Paljassaare Wastewater Treatment Plant outperforms the effluent standards. This was also confirmed by the results of the third quarter of 2026. To keep the Baltic Sea clean, the company uses efficient treatment processes that helped to remove approximately 348 tonnes of solid waste, 236 tonnes of grit, 504 tonnes of nitrogen and 64 tonnes of phosphorus from wastewater during the third quarter of 2026.

Investments

The total investment planned for 2026 amounts to €60 million. These investments help us to further future-proof our infrastructure and to ensure the continuity of the vital service we provide, all the while keeping the price of the service affordable for our customers.

Work is continuing at the Paljassaare Wastewater Treatment Plant on renovating the secondary clarifiers and reconstructing the wet well at the main pumping station. We are also optimising the wastewater treatment process by using artificial intelligence and smart technologies to reduce variable costs.

The focus of investments is now shifting from wastewater treatment to modernising water treatment processes, including completely reconstructing ozonation and microfiltration processes.

To increase the operational continuity of the water network, we built and renovated borehole pumping stations in the Kristiine and Lasnamäe districts and enhanced our ability to deploy reserve pumping stations in various locations across the city.

Water network rehabilitation

The rate of water loss in the water network was 10.26% in the third quarter, which is lower than in the same period last year (12.12% in 2025). To keep water loss rates low, the company continuously monitors the water distribution network online and continues with its planned rehabilitation programme. The interaction between smart meters and sensors installed in the water distribution network improves the flow of information about the state of the network.

During the third quarter, we rehabilitated and constructed 12 kilometres of pipes. Of these, 4.2 kilometres (35%) were built using environmentally friendly no-dig techniques. We work closely with the City of Tallinn and other partners, such as Utilitas Tallinna Soojus, Reterra Estate, Alfa Property, and Rail Baltic, in order to carry out as many works as possible at the same time, thus saving the environment and causing as little disruption to city life and traffic as possible.

During the quarter, we opened the capital's first coastal stormwater sedimentation pond in the Lahepea Street area of North Tallinn. This is an excellent example of a complex solution for addressing climate change and implementing a modern stormwater management strategy. The sedimentation pond helps to reduce the risk of flooding in the surrounding area and treats rainwater before releasing it into the sea, thus helping to keep the Baltic Sea clean.

Work on major construction projects continued in the third quarter on Kolde Avenue, Sõle Street and Keldrimäe Street, where the pavements were reinstated. Construction also continued at the Hipodroom intersection on Paldiski Road, where work is being carried out in multiple shifts. Construction started in the Vilde Street area of Mustamäe and the Mustamäe sewer system was reconstructed using no-dig techniques.

Customer relations

By the end of the third quarter of 2026, 97.1 per cent (about 21,000) of Tallinna Vesi's customers were using smart meters. The smart meter installation project will be completed during 2026. The new meters provide information on water consumption, allowing leaks in customers' pipes to be detected as early as possible. This will help to protect the environment and minimise the risk of property damage caused

by water emergencies. The transition to smart meters has received very positive feedback from customers. The meters provide the water company with a clear picture of how water moves within the service area.

We provide our customers and consumers with a reliable service, part of which is the availability of important information about the service and the speed at which the enquiries are answered. In the third quarter of 2026, we responded to written enquiries within two working days in 93.9 per cent of cases. In 2026, we aim to further improve the speed and quality of our customer communications, a goal supported by the new customer management software launched in April.

In the second half of April, we launched upgrades to improve our customers' experience, including a new website, an improved self-service portal and a new visual identity. Online channels now offer tap water consumers more advice than ever before and enable better direct communication with the company. These upgrades are supported by a visual identity that symbolises the water cycle and the constant renewal that takes place in nature – we borrow water from nature and return it to nature as clean.

We consider as complaints any enquiries received from customers that indicate dissatisfaction with the company's activities or the quality of the services provided. The aim of this is to gain a better understanding of the causes of customer dissatisfaction and to prevent complaints more effectively. In the third quarter of 2026, a total of 98 customer complaints were received, which is less compared to the same period a year ago (140 complaints in 2025). We are working to reduce the number of complaints, particularly those relating to water quality and blockages. In the third quarter of 2026, we failed to keep promises to our customers on one occasion.

Partnerships

During the third quarter, Tallinna Vesi's drinking water tanks provided refreshing drinking water at numerous events held in Tallinn and its surrounding areas, such as the gymnastics festival, the investment festival, Ironman, etc. Throughout the summer, 80 public drinking water taps are available for city residents and tourists to access high-quality tap water in public urban areas. In addition to Tallinn, the taps were opened for the first time this year in both Saue and Maardu. Public taps can be found on the Tallinn's official web map. Public taps have been installed in public areas that tend to attract large numbers of people, both locals and visitors, so that fresh drinking water would be available at all times.

As well as providing tap water, the most environmentally friendly form of drinking water, our company is also actively involved in other environmental initiatives. For instance, we participated in three panel discussions on climate change and vital services at this year's Paide Opinion Festival.

In August, we hosted the 54th Tallinna Vesi's run around Lake Ülemiste, which brought together over 600 sports enthusiasts. This unique sporting event has a long tradition and takes place in the sanitary protection zone around Lake Ülemiste.

This quarter, much attention was focused on the Paljassaare Wastewater Treatment Plant, as the plant celebrated its 45th anniversary of starting operations. This anniversary provided an opportunity to recognise the plant's long-serving employees and review the most significant recent developments, as well as the innovations on the horizon.

PERFORMANCE IN THE THIRD QUARTER OF 2026

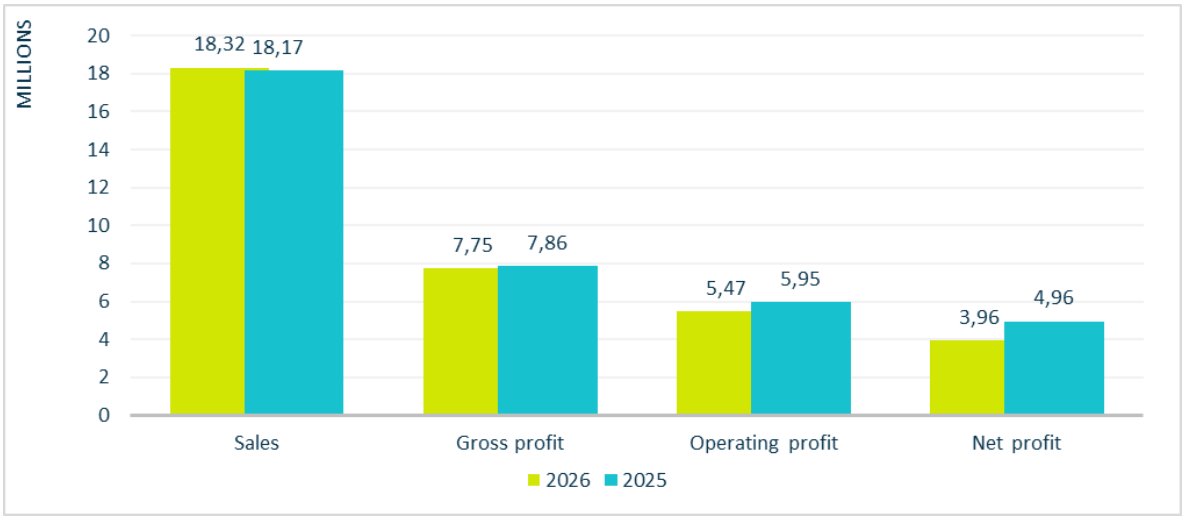
Performance indicator	Unit	2026 3rd quarter	2026 9 months	2025 3rd quarter	2025 9 months
Drinking water					
Compliance of water quality at the customer's tap	%	99.4%	99.8%	98.0%	99.3%
Water loss rate in the water distribution network	%	10.3%	13.5%	12.2%	13.5%
Average duration of interruption to water service per property	h	1 h 56 min	2 h 04 min	2 h 09 min	1 h 52 min
Wastewater					
Number of sewer blockages	pc	56	275	67	255
Number of sewer collapses	pc	20	70	8	46
Compliance of treated effluent with environmental requirements	%	100%	100%	100%	100%
Customer relations					
Number of customer enquiries	pc	7 613	19 494	6 883	19 638
Responding to written enquiries at least within 2 working days	%	93.9%	93.9%	99.5%	99.7%
Number of failures to keep Promises to our customers	pc	1	1	0	0

FINANCIAL RESULTS OF THE THIRD QUARTER OF 2026

The Estonian economy is recovering from its recession and **Eesti Pank** forecasts that it will grow by around 2.5% this year and in the next two years.

The risk of inflation rising casts a shadow over the outlook for economic growth. Inflation has come down over the past year, but price pressures have started to strengthen again. Rising prices in global markets for natural gas and fuels are already pushing inflation up and are passing through directly into energy and transport costs and indirectly into the prices of many other goods and services. The fall in inflation may consequently prove temporary, and sentiment among companies and consumers will again be affected by energy prices and the geopolitical context. Central banks will raise policy interest rates to restrain high inflation, and this will then restrict investment and spending by companies and households.

Due to the updated water prices since 1st of July 2026, the consolidated turnover has slightly increased in the 3rd quarter by €0.15 million compared to the same period of the previous year. The company's profit has decreased by €1.00 million mainly due to higher interest rates, totalling €3.96 million in the 3rd quarter of 2026.



MAIN FINANCIAL INDICATORS

€ million except key ratios	Quarter 3 2026	Quarter 3 2025	Quarter 3 2024	Variance 2026/ 2025	9 months 2026	9 months 2025	9 months 2024	Variance 2026/ 2025
Sales	18.32	18.17	16.39	0.81%	54.92	53.57	47.22	2.52%
Gross profit	7.75	7.86	6.92	-1.45%	21.97	21.60	19.33	1.74%
Gross profit margin %	42.29	43.26	42.21	-2.25%	40.01	40.31	40.93	-0.76%
Operating profit before depreciation and amortisation	8.05	8.52	7.28	-5.56%	22.79	22.76	19.99	0.13%
Operating profit before depreciation and amortisation margin %	43.93	46.90	44.39	-6.34%	41.50	42.49	42.34	-2.33%
Operating profit	5.47	5.95	5.13	-8.12%	15.11	15.57	13.71	-2.95%
Operating profit margin %	29.85	32.74	31.29	-8.84%	27.51	29.07	29.04	-5.34%
Profit before taxes	4.09	5.04	4.07	-18.95%	11.32	12.76	10.51	-11.28%
Profit before taxes margin %	22.30	27.76	24.80	-19.66%	20.62	23.82	22.26	-13.46%
Net profit	3.96	4.96	3.93	-20.20%	8.12	9.76	9.13	-16.84%
Net profit margin %	21.61	27.29	23.97	-20.82%	14.78	18.22	19.34	-18.89%
ROA %	1.06	1.47	1.33	-27.99%	2.17	2.97	3.12	-26.98%
Debt to total capital employed %	68.56	65.20	61.82	5.15%	68.56	65.20	61.82	5.15%
ROE %	3.24	4.24	3.45	-23.58%	6.65	8.15	7.84	-18.48%
Current ratio	0.68	0.83	0.83	-17.91%	0.68	0.83	0.83	-17.91%
Quick ratio	0.63	0.76	0.78	-17.04%	0.63	0.76	0.78	-17.04%
Investments into fixed assets	16.38	14.47	15.38	13.2%	40.80	37.11	33.42	9.9%
Payout ratio %	80.06	79.80	79.41		80.06	79.80	79.80	

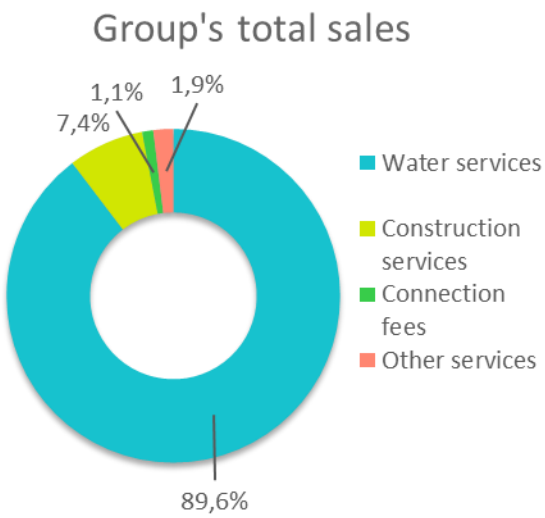
Gross profit margin – Gross profit / Net sales
Operating profit margin – Operating profit / Net sales
Operating profit before depreciation and amortisation – Operating profit + depreciation and amortisation
Operating profit before depreciation and amortisation margin – Operating profit before depreciation and amortisation / Net sales
Net profit margin – Net profit / Net sales
ROA – Net profit / Average Total assets for the period
Debt to Total capital employed – Total liabilities / Total capital employed
ROE – Net profit / Average Total equity for the period
Current ratio – Current assets / Current liabilities
Quick ratio – (Current assets – Stocks) / Current liabilities
Payout ratio – Total Dividends per annum/ Total Net Income per annum

STATEMENT OF COMPREHENSIVE INCOME

SALES

The revenues from the main activities, i.e., sales of water and wastewater services in the 3rd quarter of 2026 were impacted by consumption and the price change effective from 01/07/2026. Given the stability of the company's business and the Estonia's macroeconomic forecast, we do not expect any increase in the sales of our water services in 2026. Consequently, the company does not foresee any significant changes in the consumption of water services in the long run.

Pursuant to the legal requirements to harmonize private and business customers tariffs, the prices were revised as of 01/07/2026.



In the 3rd quarter of 2026, the **group's total sales** were €18.32 million, being on the similar level compared to the same period of the previous year, when sales were €18.17 million. Sales from water services both inside and outside the main service area accounted for 89.6% of the total sales, 7.4% of the sales came from construction services, 1.9% from other services and 1.1% from connection fees.

	Quarter 3			Variance 2026/2025	
€ thousand	2026	2025	2024	€	%
Water supply service	4,630	4,162	3,303	468	11.2%
Wastewater disposal service	4,366	4,060	3,843	306	7.5%
Total from private customers	8,996	8,222	7,146	774	9.4%
Water supply service	1,506	1,770	1,935	-264	-14.9%
Wastewater disposal service	2,095	2,372	2,222	-277	-11.7%
Total from business customers	3,601	4,142	4,156	-541	-13.1%
Water supply service	566	546	483	20	3.7%
Wastewater disposal service	1,614	1,380	1,416	234	17.0%
Stormwater disposal service	10	10	-208	0	0.0%
Total from outside service area customers	2,190	1,936	1,690	254	13.1%
Stormwater disposal and fire hydrants service	1,217	1,003	991	214	21.3%
Excess pollution charges and sewer discharge service	415	402	365	13	3.2%
Total from water services	16,419	15,705	14,349	714	4.5%
Construction services	1,347	2,017	1,657	-670	-33.2%
Connection fees	197	187	176	10	5.3%
Other services	354	258	210	96	37.2%
TOTAL REVENUE	**18,317**	**18,167**	**16,393**	**150**	**0.8%**

Sales from water services were €16.42 million, showing an increase of 4.5% or €0.71 million increase compared to the 3rd quarter of 2025, resulting from an increase in water price starting 1 July 2026.

The sales to **private customers** in the main service area increased by 9.4% or €0.77 million compared to the same period last year. In the third quarter of 2026, the sales to private customers amounted to €8.99 million.

Sales to **business customers** in the main service area decreased by €0.54 compared to the same period last year, amounting to €3.60 million.

The **stormwater disposal and fire hydrants service** in the main service area amounted to €1.22 million in the third quarter of 2026, increasing by 21.3% compared to the same period in 2025. The recognition of revenue is linked to the actual costs of providing the stormwater service during the reporting period and changes in line with the related costs.

Sales from construction services were €1.35 million, decreasing by 33.2% or €0.67 million year-on-year. The decrease in revenue was mainly due to the lower amount of pipeline construction.

COST OF GOODS AND SERVICES SOLD AND GROSS PROFIT

The cost of goods and services sold amounted to €10.57 million in the 3rd quarter of 2026, being higher by 2.6% or €0.27 million compared to the equivalent period in 2025.

	Quarter 3			Variance 2026/2025	
€ thousand	2026	2025	2024	€	%
Water abstraction charges	-308	-312	-318	4	1.3%
Chemicals	-778	-709	-711	-69	-9.7%
Electricity	-1,051	-1,012	-1,002	-39	-3.9%
Pollution tax	-324	-254	-184	-70	-27.6%
Total direct production costs	-2,461	-2,287	-2,215	-174	-7.6%
Staff costs	-2,779	-2,607	-2,522	-172	-6.6%
Depreciation and amortisation	-2,421	-2,407	-2,046	-14	-0.6%
Construction services	-1,194	-1,740	-1,341	546	31.4%
Other costs	-1,716	-1,266	-1,350	-450	-35.5%
Other costs of goods/services sold total	**-8,110**	**-8,020**	**-7,259**	**-90**	**-1.1%**
Total cost of goods/services sold	**-10,571**	**-10,305**	**-9,474**	**-266**	**-2.6%**

Total direct production costs (water abstraction charges, chemicals, electricity, and pollution tax expenses) amounted to €2.46 million, increasing by 7.6% or €0.17 million compared to the same period in 2025. Direct production costs were mainly affected by the following factors:

- The **chemicals expense** increased by 9.7% on compared with the same period in 2025, equivalent to €0.07 million. The increase was mainly driven by a 61% rise in the price of methanol used at the wastewater treatment plant.
- The **pollution tax** increased by 27.6%, mainly due to the increase in the amounts of total nitrogen and total phosphorus used in the wastewater treatment process.

Other costs of goods/services sold (staff costs, depreciation and amortisation, costs related to construction services and other costs of goods/services sold are at the same level compared to the same period last year. The changes in costs are as follows:

- **Construction services** decreased by 31.4% compared to the same period in 2025, amounting to €1.19 million. The level and change in construction services costs are directly related to revenue earned from construction services, the changes in which have been explained above in the revenue section.
- **Other expense** Increased by 35.5% to €1.72 million, mainly due to higher asset maintenance costs and additional security service requirements.

As a result of all above, the **group's gross profit** amounted to €7.75 million in the third quarter of 2026, decreasing by 1.4% or €0.11 million compared to the gross profit of €7.86 million in the same period of 2025.

ADMINISTRATIVE AND MARKETING EXPENSES, OTHER INCOME AND EXPENSES

Administrative and marketing expenses increased by 17.9% or €0.33 million compared to the same period in 2025, amounting to €2.14 million. The increase was mainly due to higher costs of contracted services and IT services.

Other income and expenses amounted to €0.14 million in the third quarter, compared to expenses of €0.09 million in the same period of 2025.

OPERATING PROFIT

As a result of the factors listed above the **group's operating profit** for the for the third quarter of 2026 amounted to €5.47 million, decreasing by 8.1% or €0.48 million compared to the same period in 2025.

FINANCIAL EXPENSES

The group's net financial income and expenses amounted to €1.38 million, which is €0.48 million higher than the net finance costs recorded in the third quarter of 2025. The increase was mainly driven by higher interest expenses resulting from the larger outstanding loan balance.

In December 2025, an additional €25 million loan agreement was concluded with the Nordic Investment Bank. The term of the loan agreement is 15 years, and it forms part of the financing arrangement entered in 2023.

In May 2026, the syndicated loan agreement with AS SEB Pank, Swedbank AS and OP Corporate Bank plc Estonian Branch was amended, increasing the available loan facility by €74 million.

In August, an additional €5 million was drawn under the syndicated loan agreement, resulting in an outstanding loan balance of €182 million as of the end of the third quarter of 2026 (31/1/2025: €160 million), at a floating interest rate.

At the end of the third quarter of 2026, the average interest rate on loans was 3.59%, resulting in interest expenses of €1.41 million. In the third quarter of 2025, the corresponding figures were an average interest rate of 3.11% and interest expenses of €0.90 million, with a loan balance of €146.00 million.

NET PROFIT

The group reported a **net profit** of €3.96 million in the third quarter of 2026, representing a decrease of €1.00 million compared to the same period in 2025. The decline in net profit was mainly driven by higher interest expenses resulting from the increased outstanding loan balance.

FINANCIAL RESULTS FOR THE FIRST NINE MONTHS OF 2026

SALES

During the first nine months of 2026 the **group's total sales** amounted to €54.92 million. Compared to the same period in 2025, sales revenue increased by 2.5% or €1.35 million.
Sales from water services in the first nine months of 2026 amounted to €48.41 million, increasing by 5.3% or €2.43 million compared to the same period in 2025.
Revenue from water services, both within and outside the main service area, accounted for 88.2% of the Group's total sales revenue. Construction services accounted for 9.3% of total revenue, other services for 1.5%, and connection fees for 1.1%.

	9 months			Variance 2026/2025	
€ thousand	2026	2025	2024	Euro	%
Water supply service	13,048	11,408	8,312	1,640	14.4%
Wastewater disposal service	12,590	12,033	11,221	557	4.6%
Total from private customers	25,638	23,441	19,534	2,197	9.4%
Water supply service	5,022	5,554	6,276	-532	-9.6%
Wastewater disposal service	6,908	6,958	6,656	-50	-0.7%
Total from business customers	11,930	12,512	12,933	-582	-4.7%
Water supply service	1,669	1,559	1,245	110	7.1%
Wastewater disposal service	4,391	4,134	3,545	257	6.2%
Stormwater disposal service	29	29	-55	0	0.0%
Total from outside service area customers	6,089	5,722	4,737	367	6.4%
Stormwater disposal and fire hydrants service	3,428	3,118	4,765	310	9.9%
Excess pollution charges and sewer discharge service	1,325	1,184	1,099	141	11.9%
Total from water services	48,410	45,977	43,066	2,433	5.3%
Construction services	5,092	6,349	3,075	-1,257	-19.8%
Connection fees	584	580	516	4	0.7%
Other services	830	660	566	170	25.8%
TOTAL REVENUE	**54,916**	**53,566**	**47,223**	**1,350**	**2.5%**

In the first nine months of 2026, **revenue from water services** provided to private customers in the main service area increased by 9.4% to €25.64 million, mainly due to the changes in water service prices.

Sales to business customers decreased by 4.7% to €11.9 million as a result of changes in prices.

Sales to **customers outside the main service area** increased by 6.4% to €6.09 million, primarily driven by higher revenue from wastewater collection and water supply services.

Sales from the operation and maintenance of the stormwater and fire hydrants system in the main service area amounted to €3.43 million by the end of the first nine months of 2026, increasing by 9.9% or €0.31 million compared to the same period in 2025.

Sales from construction services amounted to €5.09 million, decreasing by 19.8% or €1.26 million compared to the previous year. The decrease in revenue was mainly due to lower sales of pipeline construction services and a reduced volume of road construction-related works.

COST OF GOODS AND SERVICES SOLD AND GROSS AND OPERATING PROFITS

			9 months	Variance 2026/2025	
€ thousand	**2026**	**2025**	**2024**	**€**	**%**
Water abstraction charges	-945	-940	-960	-5	-0.5%
Chemicals	-2,370	-2,242	-2,086	-128	-5.7%
Electricity	-3,217	-3,256	-3,499	39	1.2%
Pollution tax	-934	-902	-694	-32	-3.5%
Total direct production costs	-7,467	-7,340	-7,239	-127	-1.7%
Staff costs	-8,892	-8,392	-7,949	-500	-6.0%
Depreciation and amortisation	-7,198	-6,694	-5,990	-504	-7.5%
Construction services	-4,416	-5,419	-2,344	1,003	18.5%
Other costs	-4,973	-4,125	-4,373	-848	-20.6%
Other costs of goods/services sold total	-25,479	-24,630	-20,656	-849	-3.4%
Total cost of goods/services sold	**-32,946**	**-31,971**	**-27,895**	**-975**	**-3.0%**

Cost of goods sold and services rendered in the first nine months of 2026 amounted to €32.95 million, which was €0.97 million higher than in the same period of 2025. **Total direct production costs** (water abstraction charges, chemicals, electricity, and pollution tax expenses) amounted to €7.47 million, remaining at a similar level compared to the previous year. Direct production costs were mainly affected by the following factors:

- **Chemicals** compared to the same period in 2025, these costs increased by 5.7%, or €0.13 million. The growth in chemical expenses was mainly attributable to a 10% increase in the price of methanol used in wastewater treatment and a 28% increase in dosing volumes resulting from higher nitrogen loads entering the treatment plant, where methanol is used for nitrate removal.

Other costs of goods/services sold (staff costs, depreciation and amortisation, construction services and other costs) amounted to €25.48 million, increasing by 3.4%. The main factors affecting the change in other costs of goods sold and services rendered were:

- **Staff costs** increased by 6.0% or €0.50 million.
- **Construction services** costs decreased by 18.5% or €1.00 million as a result of lower revenue from construction services, as explained above in the section on third-quarter results.
- **Other costs** increased by 20.6% or €0.85 million compared to the same period last year, reaching €4.97 million, mainly due to higher asset maintenance costs and additional security service requirements.

The **group's gross profit** for the first nine months of 2026 amounted to €21.97 million, increasing by 1.7% or €0.38 million compared to the first nine months of 2025. The **group's operating profit** Amounted to €15.11 million for the first nine months of 2026, which is 3.0%, or €0.46 million, lower than in the corresponding period of 2025.

FINANCIAL EXPENSES

The group's net financial income and expenses amounted to €3.79 million, compared with net finance costs of €2.81 million in the first nine months of 2025. The increase in costs was primarily attributable to higher interest expenses arising from a larger outstanding loan balance subject to a higher Euribor rate.

STATEMENT OF FINANCIAL POSITION

As of the end of the third quarter of 2026, €40.80 million had been invested in **property, plant and equipment.** As at 30/09/2026, the Group's property, plant and equipment amounted to €361.17 million, of which the majority, €262.97 million, related to pipelines (31/12/2025: €253.04 million). The total value of non-current assets amounted to €365.35 million (31/12/2025: €341.35 million).

Trade receivables, accrued income and prepayments amounted to €11.82 million at the end of the third quarter of 2026. The collection rate of receivables remained high at 99.73%, comparable to the corresponding figure of 99.74% at the end of September 2025.

Current liabilities increased by €1.43 million compared to the end of 2025, reaching €26.33 million, primarily due to liabilities related to investments.

Deferred income from connection fees increased by €1.59 million compared to the end of 2025, reaching €53.70 million.

The provision for potential third-party claims remained broadly unchanged compared to the end of 2025 at €6.02 million. Further information on the provision is disclosed in Note 6 to the interim report.

Subsequent to the reporting period AS Tallinna Vesi has signed an out-of-court settlement with Tallinn University of Technology to resolve a legal dispute concerning prices for water service, the parties entered into a settlement agreement on 9/10/2026.

According to the settlement, Tallinn University of Technology will withdraw its claim and, as a compromise, Tallinna Vesi will pay €372 thousand — an amount comparable to half of the claimant's principal claim — and compensate for the agreed ancillary costs and the litigation costs.

On 27/10/2026, Tallinna Vesi reached out-of-court settlements with Aktsiaselts Olerex, EfTEN SPV2 OÜ, EfTEN Sky OÜ and Kadrioru Ärikeskus OÜ in the historical water price difference disputes. The parties have entered into settlement agreements pursuant to which the claimants will withdraw their claims.

Under the agreements, Aktsiaselts Olerex, EfTEN SPV2 OÜ, EfTEN Sky OÜ and Kadrioru Ärikeskus OÜ will discontinue their claims, while Tallinna Vesi will make settlement payments totalling €156 thousand, an amount broadly equivalent to 50% of the claimants' principal claims and will reimburse the agreed ancillary costs and legal costs.

In the light of the out-of-court settlement agreements entered in October 2026, the Company will review in the fourth quarter of 2026 the provision established to cover potential third-party claims and assess whether any adjustment to the provision is required.

More information about the provision is disclosed in note 6.

The Group's outstanding loan balance amounted to €182 million (31/12/2025: €160 million). The NIB loan taken out in 2019 is being repaid over 11 years in equal principal instalments. The average interest rate on utilised loan facilities as of 30/09/2026 was 3.59%.

The proportion of liabilities to total assets was 68.56%, compared to 65.20% at the same time in 2025.

EMPLOYEES

We believe it is important to treat our employees equally, involve them in the decision-making process and to inform them regularly. We consider the involvement of our staff in the decision-making process instrumental for them to understand and be able to support the company in its pursuits. Our staff can vary to a large degree in age, nationality, nature of work and in many other aspects. At AS Tallinna Vesi, people work in the offices, on the construction sites and at the treatment plants. We have signed the Diversity Charter to affirm that we respect the diversity of our employees and value the principle of equal treatment, both within our own organization and in society at large. We do this by raising awareness of diversity issues among our employees and ensuring that these principles are respected. This requires us to be resourceful and flexible in our communication with the staff to involve, engage and listen to them. This is done using several means and channels of communication, such as regular staff meetings with the management, regular safety inspections carried out by members of management, digital screens, intranet, monthly newsletters, team events and meetings.

Our everyday work is guided by our values: I am part of the team, I care, I am reliable, I am forward looking.

As a socially responsible company, we value and develop our employees, by offering them new challenges, whilst also implementing succession planning activities. Safety at work is our top priority. We continuously train and develop a safe working culture in our company. In 2026, AS Tallinna Vesi is continuing with the scholarship program for students launched in autumn 2022. Through this program, we want to keep motivating students with good results. At the same time, this will give us a chance to promote the water sector and attract specialists with fresh expertise to join the company. In 2026, we continue to work with three trade schools and three universities. In autumn 2023, we launched a scholarship program for employees of AS Tallinna Vesi to recognize and motivate the employees within the company who invest in their development by studying at a trade school or university, thereby creating added value both for the company and the society at large. Recognizing and appreciating the diversity of our staff, we ensure that everyone, be it an existing or potential employee, is treated fairly and equally and provided with equal opportunities, where reasonable and practicable in the given circumstances. Within the company, we ensure that no one is discriminated against due to their age, gender, religion, cultural or ethnic origin, disability, sexual orientation or marital status, or any other grounds.

It is important for us to protect the health of our staff, so we offer additional vaccination options against COVID-19 virus, as well as influenza, tick-borne encephalitis, tetanus, and hepatitis, in accordance with the risk assessment prepared within the company. In addition to the above, we offer opportunities to stay healthy by using health insurance and sports facilities.

We consider it important to develop our staff, which is why we have organized a wide range of training courses for skilled workers, specialists, and managers (for example, training on work involving an open flame, training on safe working in confined spaces, training for new managers, etc.).

At the end of the third quarter of 2026, the Group employed 365 people, compared with 356 employees at the end of the third quarter of 2025. At the end of the third quarter of 2026, 358 employees worked on a full-time basis, compared with 350 employees in 2025. The average number of employees during the three-month period was 363 in 2026 and 365 in 2025.

Gender breakdown of staff:

	As of 30/09/2026			As of 30/09/2025		
	Women	Men	Women	Men	Women	Men
Group	**109**	**256**	**365**	**101**	**255**	**356**
Management Team	13	8	21	12	15	27
Management Board	0	3	3	0	3	3
Supervisory Council	1	8	9	2	7	9

Labour costs in the third quarter of 2026 amounted to €4.03 million, of which €0.11 million was paid to the members of the Management Board and Supervisory Council (excluding social security taxes).

The contingent liability in the event that the Supervisory Council were to replace the current members of the Management Board amounts to €0.19 million.

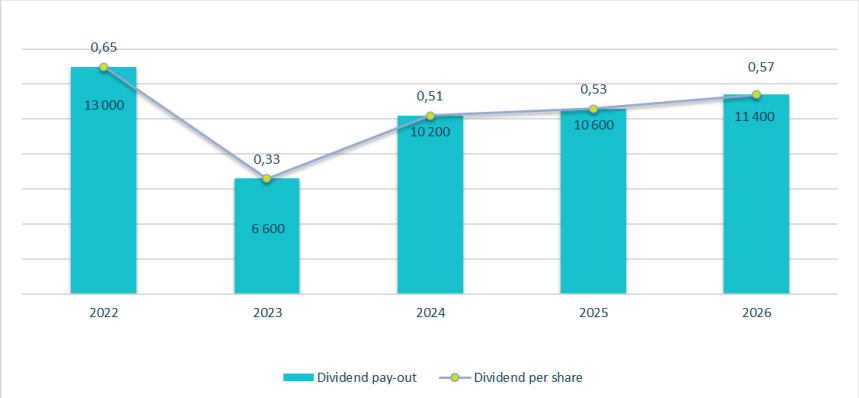
DIVIDENDS

Dividend allocation to the shareholders is recorded as a liability in the financial statement of the company at the time when the profit allocation and dividend payment is confirmed by the Annual General Meeting of Shareholders.

Every year, the Supervisory Council evaluates, considering all the circumstances, the proposal for the dividend to be paid to shareholders and approves it to be presented for a vote by the Annual General Meeting of Shareholders.

In the Annual General Meeting held on 23/04/2026, the Supervisory Council proposed to pay out €0.57 per share from the 2025 profits. The pay-out is equal to 80% of earnings in 2025. The proposal was approved by the Annual General Meeting, and the dividend pay-out is made on 20/05/2026.

In the last five years, dividends have been paid as follows:



AS Tallinna Vesi aims to distribute 50–80% of the annual profit as dividends. Dividend payments are assessed annually considering the company's earnings, investment needs, liquidity position and long-term financial targets.

SHARE PERFORMANCE

Tallinna Vesi is listed on Nasdaq Baltic Main List with trading code TVE1T and ISIN EE3100026436.

As of 30/09/2026, Tallinna Vesi's shareholders with a direct holding of more than 5% were as follows:

- City of Tallinn (55.06%)
- OÜ Utilitas (20.36%)

The shareholder structure remained broadly stable in the third quarter of 2026 compared to the previous quarter. Of all shares, 16.71% were held by domestic individual investors, 5.84% by domestic corporate investors, 1.72% by foreign corporate investors and 0.31% by foreign individual investors. The holdings of the City of Tallinn and OÜ Utilitas remained unchanged.

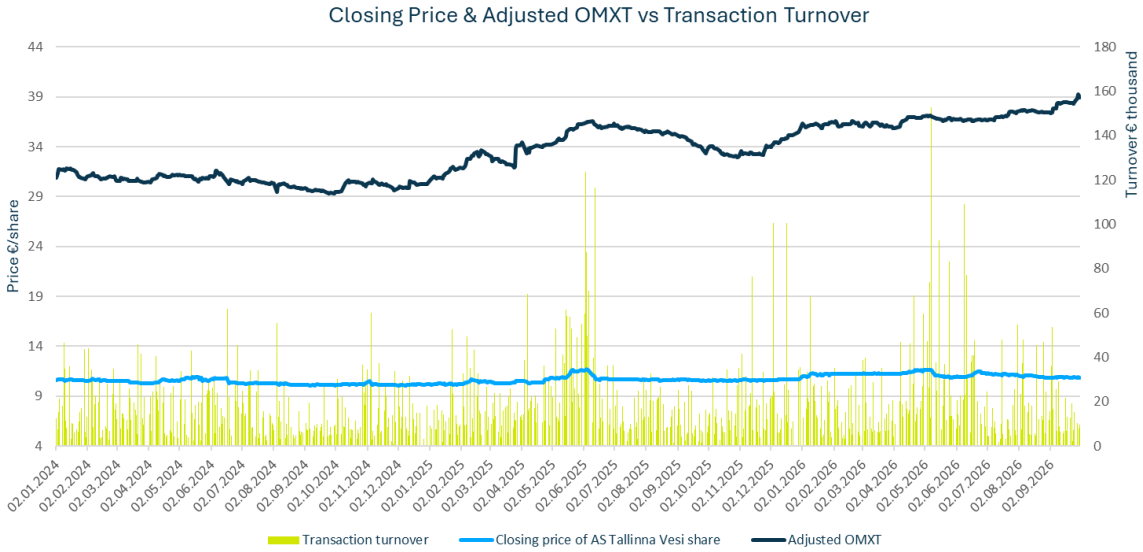
The free float accounted for 24.58% of the share capital, or 4,916,166 shares. Within the free float, domestic individual investors held 67.97% (+0.03 pp), domestic corporate investors 23.77% (-0.32 pp), foreign corporate investors 7.00% (+0.13 pp) and foreign individual investors 1.27% (+0.17 pp).

During the third quarter of 2026, the total number of shareholders decreased by 92, or 0.8%, to 11,437. The decrease was mainly attributable to a decline in the number of domestic individual shareholders.

As of 30 September 2026, Tallinna Vesi's share closing price was €10.85, down 3.98% from €11.30 at the end of the previous quarter. By comparison, the share price decreased by 1.4% in the third quarter of 2025. The OMX Tallinn index rose by 6.04% in the third quarter of 2026 (2025: -7.06%).

In the third quarter of 2026, 2,567 trades were executed in the company's shares, compared with 2,727 trades in the same period a year earlier. A total of 93,143 shares were traded, representing 0.47% of all shares (2025: 78,584 shares, or 0.39%). Trading turnover amounted to €1.02 million, exceeding the corresponding period of 2025 by €0.2 million.

Closing Price and Adjusted OMXT vs Transactions Turnover



CORPORATE STRUCTURE

As of 30/09/2026, the group consisted of 2 companies. The subsidiary Watercom OÜ is 100% owned by AS Tallinna Vesi and fully consolidated in the company's accounts.

CORPORATE GOVERNANCE

SUPERVISORY COUNCIL

Supervisory Council organizes and arranges the management of the company and supervises the activities of the Management Board. According to the Articles of Association, the Supervisory Council members of AS Tallinna Vesi are elected or appointed for three years.

The Supervisory Council has established two committees to advise Supervisory Council on audit and on nomination and remuneration matters.

Further information about the Supervisory Council and committees is available in Note 15 to the financial statements, as well as on the company's website:

www.tallinnavesi.ee/en/about-us

MANAGEMENT BOARD

The Management Board is a governing body, which represents and manages AS Tallinna Vesi in its daily operations in accordance with the legal requirements as well as the Articles of Association. The Management Board is required to act economically in the most efficient way taking into consideration the interest of the company and its shareholders and to ensure the sustainable development of the company in accordance with the set objectives and strategy.

The Management Board and the Supervisory Council cooperate fully to safeguard the best interests of the company. The Management Board and the Supervisory Council hold regular meetings together at least once a quarter. At those meetings the Management Board informs the Supervisory Council about significant aspects of the company's business and discuss the delivery of the company's short- and long-term objectives and the risks that may affect them. The Management Board prepares a

management report for every Supervisory Council meeting and submits it in advance with sufficient time for the Supervisory Council to study it.

According to the Articles of Association, the Management Board consists of two to three members who are elected for five years.

As of 30/09/2026, the Management Board of AS Tallinna Vesi has three members: Aleksandr Timofejev (with the term of office as a Chairman of the Management Board until 30/10/2026), Tarvi Thomberg (with the term of office as a Member of the Management Board until 08/11/2026) and Taavi Gröön (with the term of office as a Member of the Management Board until 23/05/2027).

Further information on the members of the Management Board is available on the company's website under www.tallinnavesi.ee/en/about-us.

Additional information:

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Tarvi Thomberg
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Taavi Gröön
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MANAGEMENT CONFIRMATION

The Management Board has prepared the consolidated interim accounts of AS Tallinna Vesi (the Company) and its subsidiary OÜ Watercom, together the Group, in the form of consolidated condensed financial statements for the 9 months period ended on 30 September of financial year 2026. The interim accounts have not been reviewed by the auditors.

The condensed financial statements for the period ended on 30 September 2026 have been prepared following the accounting policies and the manner of presenting the information in line with the International Financial Reporting Standards as adopted by the EU. The condensed financial statements provide a fair presentation of the assets, liabilities, financial position and result of the operations and the cash-flows of the Group.

The interim report gives a fair presentation of the main events and of their effect on the condensed financial statements. It includes description of the main risks and unclear aspects that can, based on the sensible judgement of the Management Board.

The significant transactions with related parties are disclosed in the interim accounts.

Any subsequent events that materially affect the valuation of assets and liabilities and have occurred until the completion of the consolidated financial statements on 30 October 2026 have been considered in preparing the financial statements.

The Management Board considers AS Tallinna Vesi and its subsidiaries to be going concern entities.

Aleksandr Timofejev
Member of the Management Board
Chief Executive Officer



Tarvi Thomberg
Member of the Management Board
Chief Asset Management Officer



Taavi Gröön
Member of the Management Board
Chief Financial Officer



30 October 2026

Introduction and photos of the Management Board members are published at company's web page https://www.tallinnavesi.ee/en/about-us.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ thousand	Note	as of 30 September 2026	as of 31 December 2025
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	4,782	11,294
Trade receivables, accrued income and prepaid expenses		11,820	10,762
Inventories		1,340	1,163
TOTAL CURRENT ASSETS		**17,942**	**23,219**
NON-CURRENT ASSETS			
Property, plant, and equipment	4	361,182	338,654
Intangible assets	5	4,165	2,699
TOTAL NON-CURRENT ASSETS		**365,347**	**341,353**
TOTAL ASSETS		**383,289**	**364,572**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current portion of long-term lease liabilities		649	765
Current portion of long-term loans		6,877	3,742
Trade and other payables		15,555	17,604
Prepayments		3,244	2,781
TOTAL CURRENT LIABILITIES		**26,325**	**24,892**
NON-CURRENT LIABILITIES			
Deferred income from connection fees		53,703	52,112
Leases		1,207	1,502
Loans		174,591	155,391
Provision for possible third-party claims	6	6,018	6,018
Deferred tax liability		687	697
Other payables		246	165
TOTAL NON-CURRENT LIABILITIES		**236,452**	**215,885**
TOTAL LIABILITIES		**262,777**	**240,777**
EQUITY			
Share capital		12,000	12,000
Share premium		24,734	24,734
Statutory legal reserve		1,278	1,278
Retained earnings		82,500	85,783
TOTAL EQUITY		**120,512**	**123,795**
TOTAL LIABILITIES AND EQUITY		**383,289**	**364,572**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousand	Note	Quarter 3 2026	Quarter 3 2025	for the 9 months ended on 30 September 2026	for the 9 months ended on 30 September 2025
Revenue	7	18,317	18,167	54,916	53,566
Cost of goods and services sold	9	-10,571	-10,307	-32,945	-31,970
GROSS PROFIT		**7,746**	**7,860**	**21,971**	**21,596**
Marketing expenses	9	-227	-222	-773	-716
General administration expenses	9	-1,916	-1,596	-5,713	-4,982
Other income and expenses	10	-136	-95	-375	-327
OPERATING PROFIT		**5,467**	**5,947**	**15,110**	**15,571**
Financial income	11	42	25	97	89
Financial expenses	11	-1,424	-928	-3,884	-2,898
PROFIT BEFORE TAXES		**4,085**	**5,044**	**11,323**	**12,762**
Income tax		-127	-86	-3,206	-3,000
NET PROFIT FOR THE PERIOD		**3,958**	**4,958**	**8,117**	**9,762**
COMPREHENSIVE INCOME FOR THE PERIOD		**3,958**	**4,958**	**8,117**	**9,762**
Attributable profit to shareholders		3,958	4,958	8,117	9,762
Earnings per share (in euros)	12	0.20	0.25	0.41	0.49

CONSOLIDATED STATEMENT OF CASH FLOWS

€ thousand	Note	for the 9 months ended 30 September 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		15,110	15,571
Adjustment for depreciation/amortisation	9	7,679	7,191
Adjustment for revenues from connection fees	7	-583	-580
Other non-cash adjustments		-38	26
Profit (-) / loss (+) from sale of property, plant and equipment, and intangible assets		-28	-57
Change in current assets involved in operating activities		-1,236	-258
Change in liabilities involved in operating activities		950	-66
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**21,854**	**21,827**
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant, and equipment, and intangible assets		-43,832	-38,702
Proceeds from targeted funding of property, plant, and equipment.		9,155	5,528
Compensations received for construction of pipelines, incl connection fees		1,963	1,523
Proceeds from sale of property, plant and equipment, and intangible assets		34	58
Interest received		97	89
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES		**-32,583**	**-31,504**
CASH FLOWS USED IN FINANCING ACTIVITIES			
Interest and loan financing costs paid		-2,941	-2,505
Lease payments		-608	-662
Loans received		25,000	30,000
Repayment of loans		-2,619	-1,786
Dividends paid	12	-11,400	-10,600
Income tax paid on dividends	12	-3,215	-2,990
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES		**4,217**	**11,457**
CHANGE IN CASH AND CASH EQUIVALENTS		**-6,512**	**1,780**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**3**	**11,294**	**3,589**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3**	**4,782**	**5,369**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ thousand	Share capital	Share premium	Statutory legal reserve	Retained earnings	Total equity
as of 31 December 2024	**12,000**	**24,734**	**1,278**	**82,141**	**120,153**
Dividends	0	0	0	-10,600	**-10,600**
Comprehensive income for the period	0	0	0	9,762	**9,762**
as of 30 September 2025	**12,000**	**24,734**	**1,278**	**81,303**	**119,315**
as of 31 December 2025	**12,000**	**24,734**	**1,278**	**85,783**	**123,795**
Dividends	0	0	0	-11,400	**-11,400**
Comprehensive income for the period	0	0	0	8,117	**8,117**
as of 30 September 2026	**12,000**	**24,734**	**1,278**	**82,500**	**120,512**

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed interim financial statements do not contain all the information presented in the annual financial statements and should be read in conjunction with the Group's latest published annual financial statements as at and for the year ended 31 December 2025. Selected notes are included in interim financial statements 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.

NOTE 2. CRITICAL ACCOUNTING ESTIMATES

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of material misstatements to the carrying amounts of assets and liabilities were the same as described in the last annual financial statements as at and for the year ended 31 December 2025, except for estimates addressed below:

- Management has developed estimates on the expected credit losses of trade receivables based on the best available information about past events, current conditions and forecasts of macroeconomic conditions. Trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 September 2026, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of Estonia in which it sells its goods and services to be the most relevant factors and has accordingly adjusted the historical loss rates based on expected changes in these factors. As at 30 September 2026, Management of the Group has assessed the expected credit loss related to macroeconomic conditions to be €86 thousand. Estimated credit loss is being revised according to further developments.

- Management has made an estimate with regards to possible third-party claims based on the maximum difference between revenues calculated with water prices established based on the Services Agreement and based on the Company's estimation, with the reservation to the possible fluctuation. According to the law, the prices established based on the Services Agreement were in force until the Competition Authority approved the new tariffs and the Company implemented these tariffs in line with the law. The Company has acted in good faith and in reliance to the applicable legal acts. Thus, the Company does not consider itself liable to the customers for any claims related to the water price applied until the new prices approved by the Competition Authority were duly implemented.

  As of 30 September 2026, claims totalling €14.7 million have been filed within five applications. The Management Board of the Company has assessed the potential liability resulting from such claims, if successful, to be €6.0 million and has suspended the reduction of the provision pursuant to the principle of conservatism. The Company has always acted legitimately by applying fair tariffs imposed in accordance with the law in force, and the Company believes there are no grounds for submitting the claims. Therefore, the Company does not admit any liability and fully rejects it.

NOTE 3. CASH AND CASH EQUIVALENTS

€ thousand	as of 30 September 2026	as of 31 December 2025
Cash in hand and in bank	4,782	11,294
Total cash and cash equivalents	**4,782**	**11,294**

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

€ thousand	Land and buildings	Facilities	Machinery and equipment	Right-of-use assets	Construction in progress	Total property, plant and equipment
31 December 2024						
Acquisition cost	28,246	321,397	64,717	5,391	17,581	437,332
Accumulated depreciation	-8,782	-89,614	-40,977	-1,695	0	-141,068
Net book value	**19,464**	**231,783**	**23,740**	**3,696**	**17,581**	**296,264**
Transactions in the period 1 January 2025 - 30 September 2025						
Acquisitions	0	0	0	0	38,876	38,876
Targeted financing	0	-2,829	0	0	-2,699	-5,528
Reclassification	108	8,292	4,268	22	-12,690	0
Depreciation	-476	-3,667	-2,303	-407	0	-6,853
30 September 2025						
Acquisition cost	27,944	326,489	68,366	4,982	41,068	468,849
Accumulated depreciation	-8,848	-92,912	-42,661	-1,671	0	-146,092
Net book value	**19,096**	**233,577**	**25,705**	**3,311**	**41,068**	**322,757**
31 December 2025						
Acquisition cost	28,916	346,830	73,975	4,985	30,158	484,864
Accumulated depreciation	-8,929	-93,792	-41,746	-1,743	0	-146,210
Net book value	**19,987**	**253,038**	**32,229**	**3,242**	**30,158**	**338,654**
Transactions in the period 1 January 2026 - 30 September 2026						
Acquisitions	0	0	0	0	38,801	38,801
Targeted financing	0	-9,203	0	0	288	-8,915
Reclassification	100	23,108	5,199	9	-28,416	0
Write off and sale of property, plant, and equipment in residual value	0	0	-5	-17	0	-22
Depreciation	-273	-3,971	-2,717	-375	0	-7,336
30 September 2026						
Acquisition cost	28,974	360,462	78,885	4,648	40,831	513,800
Accumulated depreciation	-9,160	-97,490	-44,179	-1,789	0	-152,618
Net book value	**19,814**	**262,972**	**34,706**	**2,859**	**40,831**	**361,182**

Property, plant and equipment and intangible assets are written off, if the conditions of the asset do not enable its further usage for production purposes. By nature, the right-of-use assets comply with the asset class of machinery and equipment.

The amount of acquisitions for the 9 months ended on 30 September 2026 are reduced by targeted financing of stormwater infrastructure developments in amount of €9,155 thousand.

NOTE 5. INTANGIBLE ASSETS

€ thousand	Acquired licenses and other intangible assets	Unfinished intangible assets	Total intangible assets
31 December 2024			
Acquisition cost	6,856	98	6,954
Accumulated depreciation	-4,892	0	-4,892
Net book value	**1,964**	**98**	**2,062**
Transactions in the period 1 January 2025 - 30 September 2025			
Acquisition in book value	0	938	938
Targeted financing	-131	0	-131
Reclassification	72	-72	0
Accumulated depreciation	-338	0	-338
30 September 2025			
Acquisition cost	3,434	964	4,398
Accumulated depreciation	-1,867	0	-1,867
Net book value	**1,567**	**964**	**2,531**
31 December 2025			
Acquisition cost	3,357	1,230	4,587
Accumulated depreciation	-1,888	0	-1,888
Net book value	**1,469**	**1,230**	**2,699**
Transactions in the period 1 January 2026 - 30 September 2026			
Acquisition in book value	0	1,997	1,997
Targeted financing	-62	-125	-187
Reclassification	217	-217	0
Accumulated depreciation	-343	0	-343
30 September 2026			
Acquisition cost	3,512	2,885	6,397
Accumulated depreciation	-2,231	0	-2,231
Net book value	**1,281**	**2,885**	**4,166**

NOTE 6. PROVISION FOR POSSIBLE THIRD-PARTY CLAIMS

On 12 December 2017, the Supreme Court made a decision on AS Tallinna Vesi's cassation in the tariff dispute with the Estonian Competition Authority. The court stated that the Competition Authority is not bound by the agreement on the water tariffs contained in the Services Agreement, which was executed upon privatization of the Company. From then on, the tariffs are regulated by the Competition Authority.

According to the law the tariffs established based on the Services Agreement were in force until the Competition Authority approved the new tariffs and the Company implemented these tariffs in line with the law. The Company has acted in good faith and in reliance to the applicable legal acts. Thus, the

Company does not consider itself liable to the customers for any claims related to the tariffs applied until the new tariffs approved by the Competition Authority were duly implemented.

On 18 October 2019, the Competition Authority approved the tariffs that the Company had applied for in September of that year. The new tariffs for water services came into force on 1 December 2019. In the Company's main service area, the private customer tariffs decreased by 27% and commercial customer tariffs dropped by 15%, on average.

As of 30 September 2026, claims totalling €14.7 million have been filed within five applications. The Management Board of the Company has assessed the potential liability resulting from such claims, if successful, to be €6 million and has suspended the reduction of the provision pursuant to the principle of conservatism. The Company has always acted legitimately by applying fair tariffs imposed in accordance with the law in force, and the Company believes there are no grounds for submitting the claims. Therefore, the Company does not admit any liability and fully rejects it.

NOTE 7. SEGMENT REPORTING

The Group has defined the business segments based on the reports used regularly by the chief operating decision maker for the purposes of making strategic decisions. The chief operating decision maker monitors the Group's operations by activities. Three segments are distinguished: water services, construction and other services.

Water services: water supply, storm-and wastewater disposal and treatment, fire hydrants service, overpollution charges and discharging.

Construction services: construction services provided by Watercom OÜ. Construction services have been identified as a reportable segment because its revenues are more than 10% of the combined revenues of all segments.

Other services: road maintenance, jet wash and transportation services, project management and owner's supervision and other activities. Other activities are of less importance to the Group's financial results and none of them constitutes a separate segment for reporting purposes.

The Group's chief operating decision maker assesses the performance of each operating segment based on its revenue (external and inter-segment revenue) and gross profit. The inter-segment transactions are carried out on market terms.

€ thousand	Water services	Construction services	Other services	Inter-segment transactions	Total segments
1 January 2026 - 30 September 2026					
External revenue	48,410	5,092	1,414	0	54,916
Inter-segment revenue	1	4,637	4,822	-9,460	0
Total segment revenue	**48,411**	**9,729**	**6,236**	**-9,460**	**54,916**
Segment's gross profit	**19,753**	**639**	**2,403**	**-824**	**21,971**
Unallocated expenses:					
Marketing and Administrative expenses					-6,486
Other income and expenses					-375
Operating profit					**15,110**
1 January 2025 - 30 September 2025					
External revenue	45,978	6,348	1,240	0	53,566
Inter-segment revenue	1	3,091	4,876	-7,968	0
Total segment revenue	**45,979**	**9,439**	**6,116**	**-7,968**	**53,566**
Segment's gross profit	**19,251**	**603**	**2,404**	**-662**	**21,596**
Unallocated expenses:					

Marketing and Administrative expenses	-5,698
Other income and expenses	-327
Operating profit	**15,571**

Revenue by activities

			for the 9 months	
		Quarter 3	ended 30 September	
€ thousand	2026	2025	2026	2025
Water services				
Water supply service	4,630	4,162	13,048	11,408
Wastewater disposal service	4,366	4,060	12,590	12,033
Total from private customers	8,996	8,222	25,638	23,441
Water supply service	1,506	1,770	5,022	5,554
Wastewater disposal service	2,095	2,372	6,908	6,958
Total from corporate customers	3,601	4,142	11,930	12,512
Water supply service	566	546	1,669	1,559
Wastewater disposal service	1,614	1,380	4,391	4,134
Stormwater disposal service	10	10	29	29
Total from outside service area customers	2,190	1,936	6,089	5,722
Stormwater treatment and disposal service and fire hydrants service	1,217	1,003	3,428	3,118
Overpollution charges and discharging	415	402	1,325	1184
Total revenue from water services	**16,419**	**15,705**	**48,410**	**45,977**
Other services				
Construction services	1,347	2,017	5,092	6,349
Revenue from single connections	197	187	584	580
Other services	354	258	830	660
Total revenue from other services	**1,898**	**2,462**	**6,506**	**7589**
Total revenue	**18,317**	**18,167**	**54,916**	**53,566**

100% of the Group´s revenue was generated within the Republic of Estonia.

NOTE 8. STAFF COSTS

			for the 9 months	
		Quarter 3	ended on 30 September	
€ thousand	2026	2025	2026	2025
Salaries and wages	-3,023	-2,773	-9,580	-8,922
Social security and unemployment insurance tax	-1,011	-925	-3,198	-2,978
Staff costs total	**-4,034**	**-3,698**	**-12,778**	**-11,900**
Average number of employees during the reporting period	**363**	**365**	**359**	**361**

NOTE 9. COST OF GOODS AND SERVICES SOLD, MARKETING AND ADMINISTRATIVE EXPENSES

			for the 9 months	
		Quarter 3	ended on 30 September	
€ thousand	2026	2025	2026	2025

Cost of goods and services sold				
Water abstraction charges	-308	-312	-945	-940
Chemicals	-778	-709	-2,370	-2,242
Electricity	-1,051	-1,012	-3,217	-3,256
Pollution tax	-324	-254	-934	-902
Staff costs	-2,779	-2,607	-8,892	-8,392
Depreciation and amortization	-2,421	-2,407	-7,198	-6,694
Construction services	-1,194	-1,740	-4,416	-5,419
Other costs	-1,716	-1,266	-4,973	-4,125
Total cost of goods and services sold	**-10,571**	**-10,307**	**-32,945**	**-31,970**

Marketing expenses				
Staff costs	-203	-205	-682	-657
Depreciation and amortization	0	0	-1	-1
Other marketing expenses	-24	-17	-90	-58
Total marketing expenses	**-227**	**-222**	**-773**	**-716**

Administrative expenses				
Staff costs	-1,052	-887	-3,204	-2,851
Depreciation and amortization	-158	-165	-480	-496
Other general administration expenses	-706	-544	-2,029	-1,635
Total administrative expenses	**-1,916**	**-1,596**	**-5,713**	**-4,982**

NOTE 10. OTHER INCOME/EXPENSES

	Quarter 3		for the 9 months ended on 30 September	
€ thousand	2026	2025	2026	2025
Doubtful receivables expenses (-)/ expense reduction (+)	-16	58	7	27
Other income and expenses	-120	-153	-382	-354
Total other income and expenses	**-136**	**-95**	**-375**	**-327**

NOTE 11. FINANCIAL INCOME AND EXPENSES

	Quarter 3		for the 9 months ended on 30 September	
€ thousand	2026	2025	2026	2025
Interest income	42	25	97	89
Interest expense, loan	-1,405	-898	-3,804	-2,812
Other financial income and expenses	-19	-30	-80	-86
Total financial income and expenses	**-1,382**	**-903**	**-3,787**	**-2,809**

NOTE 12. DIVIDENDS

	Quarter 3		for the 9 months ended on 30 September	
€ thousand	2026	2025	2026	2025
Dividends declared during the period	0	0	11,400	10,600
Dividends paid during the period	0	0	11,400	10,600

Income tax on dividends paid	0	0	3,215	2,990
Dividends declared per share			0.57	0.53

Income tax rate on dividends paid is 22/78 in 2026 (22/78 in 2025).

NOTE 13. EARNINGS PER SHARE

		Quarter 3	for the 9 months ended on 30 September	
€ thousand	2026	2025	2026	2025
Net profit for the period	3,958	4,958	8,117	9,762
Weighted average number of ordinary shares (in thousand pcs)	20,000	20,000	20,000	20,000
Earnings per share (in euros)	0.20	0.25	0.41	0.49

Diluted earnings per share for the periods ending 30 September 2026 and 30 September 2025 were equal to earnings per share figures stated above.

NOTE 14. RELATED PARTIES

Transactions with related parties are considered to be transactions with members of the Supervisory Council and Management Board, their relatives, and the companies in which they have control or significant influence and transactions with shareholder having significant influence. Dividend payments are indicated in the Statement of Changes in Equity.

Shareholders having significant influence

Balances recorded on the statement of financial position of the Group

€ thousand	as of 30 September 2026	as of 31 December 2025
Accounts receivable	1,026	823
Trade and other payables	11	62

Transactions recorded on the statement of comprehensive income

		Quarter 3	for the 9 months ended 30 September	
€ thousand	2026	2025	2026	2025
Revenue	1,888	2,245	5,196	5,629
Purchase of thermal energy	15	53	258	262

Fees to the Group's Management Board and Supervisory Council members (excluding social tax)

		Quarter 3	for the 9 months ended 30 September	
€ thousand	2026	2025	2026	2025
Fees for Management Board	87	83	327	320
Supervisory Council fees	18	18	54	54

The Group's Management Board and Supervisory Council members are considered as key management personnel for whom the contractual salary payments have been accounted for as disclosed above.

The Group's Management Board members are elected for 5 (five) years and Supervisory Council members for 3 (three) years. Stock exchange announcement is published about the change in Management and Supervisory Council.

The potential salary liability would be up to €189 thousand (excluding social tax) if the Supervisory Council were to replace all Management Board members.

Company shares belonging to the Management Board and Supervisory Council members

As of 30 September 2026, and 31 December 2025, the members of Management Board Aleksandr Timofejev, Taavi Gröön and Tarvi Thomberg owned the shares of AS Tallinna Vesi, 200, 600 and 1,000 shares accordingly. All securities transactions have been conducted in accordance with the applicable law as well as relevant rules, including AS Tallinna Vesi rules for handling inside information.

As of 30 September 2026, and 31 December 2025, the members of Supervisory Council did not own any shares in the Company.

NOTE 15. LIST OF SUPERVISORY COUNCIL MEMBERS

Priit Koit	Chairman of the Supervisory Council
Robert Kitt	Member of the Supervisory Council
Gerli Kivisoo	Member of the Supervisory Council
Niall Patrick Mills	Member of the Supervisory Council
Priit Lello	Vice Chairman of the Supervisory Council
Priit Rohumaa	Member of the Supervisory Council
Silver Tamm	Member of the Supervisory Council
Urmas Reinsalu	Member of the Supervisory Council
Andrei Korobeinik	Member of the Supervisory Council

Introduction of Supervisory Council members is published on company's web page:
https://www.tallinnavesi.ee/en/about-us