

E K S P R E S S G R U P P

**AS EKSPRESS GRUPP
CONSOLIDATED INTERIM REPORT
FOR THE FOURTH QUARTER AND 12 MONTHS OF 2020
(unaudited)**

TABLE OF CONTENTS

GENERAL INFORMATION	3
Management Board's confirmation of the Group's interim financial statements	4
BRIEF OVERVIEW OF THE GROUP	5
STRATEGY AND GOALS OF THE GROUP	6
GROUP'S KEY BUSINESSES	7
OUR MEDIA BRANDS	8
MANAGEMENT REPORT.....	9
BUSINESS OPERATIONS.....	12
FINANCIAL INDICATORS AND RATIOS	12
SEGMENT OVERVIEW	13
RESPONSIBILITY OF A MEDIA GROUP IN THE SOCIETY	19
MEDIA RECOGNITIONS AND AWARDS IN 2020	20
SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP.....	21
CORPORATE GOVERNANCE	25
CORPORATE GOVERNANCE AND STRUCTURE	25
GROUP'S LEGAL STRUCTURE	25
GENERAL MEETING OF SHAREHOLDERS	26
SUPERVISORY BOARD.....	27
MANAGEMENT BOARD	29
SUPERVISORY AND MANAGEMENT BOARDS OF SUBSIDIARIES.....	30
CONSOLIDATED INTERIM FINANCIAL STATEMENTS	31
Consolidated balance sheet (unaudited).....	31
Consolidated statement of comprehensive income (unaudited).....	32
Consolidated statement of changes in equity (unaudited)	33
Consolidated cash flow statement (unaudited)	34
SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	35
Note 1. General information.....	35
Note 2. Bases of preparation	36
Note 3. Financial risk management.....	39
Note 4. Property, plant and equipment, and intangible assets.....	42
Note 5. Intangible assets	43
Note 6. Bank loans and borrowings	43
Note 7. Segment reporting.....	44
Note 8. Earnings per share.....	45
Note 9. Share option plan.....	46
Note 10. Equity and dividends.....	46
Note 11. Related party transactions.....	47
Note 12. Contingent assets and liabilities	49

GENERAL INFORMATION

Company name	AS Ekspress Grupp
Registration number	10004677
Address	Parda 6, Tallinn 10151
Phone	669 8381
E-mail	egrupp@egrupp.ee
Internet homepage	www.egrupp.ee
Main field of activity	Media and related activities
Beginning of reporting period	1 January 2020
End of reporting period	31 December 2020
Financial year	1 January - 31 December
Management Board	Mari-Liis Rüütsalu Signe Kukin Kaspar Hanni
Supervisory Board	Priit Rohumaa Hans H. Luik Indrek Kasela Peeter Saks (until 11.01.2021) Aleksandras Česnavičius
Auditor	KPMG Baltics OÜ

Management Board's confirmation of the Group's interim financial statements

The Management Board confirms that the management report and interim consolidated financial statements of AS Ekspress Grupp disclosed on pages 5 to 49 present a true and fair view of the key events which have occurred during the reporting period and their effect on the Group's financial position, results and cash flows, and they include a description of major risks and related party transactions of great significance.

Mari-Liis Rüütsalu	chairman of the Management Board	<i>signed digitally</i>	18.02.2021
Signe Kukin	member of the Management Board	<i>signed digitally</i>	18.02.2021
Kaspar Hanni	member of the Management Board	<i>signed digitally</i>	18.02.2021

BRIEF OVERVIEW OF THE GROUP

Ekspress Group with its 30-year history is the leading media group in the Baltic States that owns four media companies in Estonia, Latvia and Lithuania and one of the largest printing houses in the Baltic States. We have a strong internal capability for provision of digital content and advertising solutions, and we arrange impressive and memorable entertainment events.

Our customers are media content consumers (retail and business customers), advertising buyers and other organisations that purchase the services of our companies.

- **Key activity:** creation of journalistic content, editing of news portals, publishing of newspapers, magazines and books throughout the Baltic States.
- **Development of digital lines of business:** The share of digital revenue is constantly rising, and it made up 71% of the media segment revenue and 49% of Group's total revenue at the end of 2020.
- We provide **printing services** to Estonian and foreign customers, as well as to all of our own periodicals.
- **The key activities are supported by** information technology development, audio-visual production solutions, renting of advertising space, home delivery of paper periodicals.
- Management of the **real estate portal** in Estonia.
- Organisation of an increasing number of **entertainment and other events**.
- Since 2019, the **operation of the electronic ticket platform and box offices in Latvia**.

The shares of AS Ekspress Grupp have been listed on NASDAQ Tallinn Stock Exchange since 5 April 2007. The key shareholder is Hans H. Luik, whose ownership interest as the final beneficiary through various entities is 56.15%.

Ekspress Grupp in figures (2019)



*The number of digital subscriptions, periodicals, online media platforms, companies and employees also includes the data of joint ventures and associates.

STRATEGY AND GOALS OF THE GROUP

Mission

- To serve democracy

Our goals

- Produce award-winning content, appreciated by our readers and media experts alike
- Be leading digital publisher in Baltics (in terms of user time spent and number of real users)
- Maintain our quality paper-based media products for the audiences who value this format
- Increase the value of the company for our shareholders

Group strategy

Ekspress Grupp continues focusing on the organic growth of the existing digital business as well as finding opportunities to increase its business volumes through acquisitions. The Group's goal is to increase the company's value by creating a synergy between the new businesses acquired and current media operations. In addition to the development of the digital media segment, printed media as well as the quality and cost-efficiency of printing services are also vital for the Group.

The Group plans to strengthen its existing core business and facilitate digital transformation through increasing the share of the Group's digital revenue. In order to support growth, the goal of Ekspress Grupp is to ensure an optimal distribution of investments, repayment of loans and profit allocation both from the point of view of the Group and its investors.

To implement the Group's strategy, our objectives still include production of award-winning content valued both by our readers and media experts while being a leading digital publisher in the Baltic States both in terms of the time spent and the number of actual users. We wish to continue providing high-quality printed media products for those readers who value this format.

GROUP'S KEY BUSINESSES

**E K S P R E S S
M E E D / A**

Delfi

 **BILEŠU
PARADIZE**

 **Öhtuleht
Kirjastus**

 **adnet
media**

 **altero**

 **BABAHH**

 **KINNISVARA**

 **LINNA EKRAANID**

 **D Screens**

**H E A
L U G U**

 **printall**

 **express
post**

AS Ekspress Meedia / Estonia

Ekspress Meedia publishes the internet portal Delfi with over 600 thousand monthly visitors, newspapers Eesti Ekspress, Eesti Päevaleht and Maaleht, and magazine Maakodu. From 1 June 2018, seven magazines were transferred from Ajakirjade Kirjastus with over 43 000 subscribers.

A/S Delfi / Latvia

Delfi Latvia, an internet portal with over 800 thousand monthly users, was recognised in 2017 as the most trustworthy news channel in Latvia.

SIA Bilešu Paradize / Latvia

Bilešu Paradize operates the electronic ticket platform (bilesuparadize.lv) and box offices to organise the sale of tickets to various entertainment events on behalf of event organisers. The company has provided online ticket distribution for more than 15 years and is one of the two leading ticket service providers in Latvia.

AS Öhtuleht Kirjastus / Estonia

Öhtuleht Kirjastus publishes Estonia's largest daily newspaper Öhtuleht, free newspaper Linnaleht and internet portal ohtuleht.ee with over 300 thousand monthly users. On 1 June 2018, it merged with Ajakirjade Kirjastus and more than 10 magazines with 47 000 subscribers were transferred to it.

Adnet Media UAB / Estonia, Latvia, Lithuania

Adnet Media is the largest online advertising network in the Baltic States that offers modern programmatic advertising, audience and campaign optimisation.

SIA Altero / Latvia, Lithuania

Financial comparison and brokerage platform in Latvia and starting from spring 2019 also in Lithuania. More than 90,000 Altero clients have compared financial offers for consumer loans, car loans and other products since the launch in June 2016. The company is a leading financial comparison service provider in Latvia and Lithuania.

Babahh Media OÜ / Estonia

Babahh Media provides a full range of professional video production, real-time and recorded video streaming, automation and video archive solutions.

Kinnisvarakeskkond OÜ / Estonia

Kinnisvarakeskkond develops a modern real estate portal kinnisvara24.ee in co-operation with local real estate agencies and it has over 23 thousand advertisements.

Linna Ekraanid OÜ / Estonia

Linna Ekraanid is a fast-growing outdoor media company that builds and operates well-positioned digital outdoor screens in several cities across Estonia.

D Screens / Latvia

D Screens is a fast-growing outdoor media company that builds and operates well-positioned digital outdoor screens in several locations across Latvia.

OÜ Hea Lugu / Estonia

Hea Lugu is a book publishing company. Hea Lugu publishes fiction, history books, autobiographies and memoires, books for children, reference books and practical handbooks. Hea Lugu operates trademarks Maailm ja Mõnda, 100 Rooga, Öhtuõpik, Eesti Ekspressi Raamat, Eesti Päevaleht, Maalehe Raamat and Raamat24.

AS Printall / Estonia

One of the most modern printing companies in the Baltic States, Printall prints the majority of periodicals and advertising materials in Estonia. It also exports many of its products abroad.

AS Express Post / Estonia

Express Post is currently the only early-morning newspaper delivery company in Estonia that is also engaged in direct mail and home delivery of letters.

A detailed list of the group companies is disclosed in Note 1 to the financial statements.

OUR MEDIA BRANDS

Our web media portals:



Information in a quick and convenient way for you – on a PC or a smart device.

Our weekly and daily newspapers with a strong digital outlet:



Original and thorough treatment of hot topics.

E K S P R E S S G R U P P

We are the leading media group in the Baltic States whose activities primarily include web media content production, publishing of magazines and newspapers, publishing of books and provision of printing services.

Always high-quality and reliable.

Magazines with a strong web outlet



New ideas about hobbies and lifestyle of interest to you.

Our books:



Our other brands:

Adventures on your favourite topics.



Support that significant information reaches you in a convenient way and at the right time.

MANAGEMENT REPORT

MANAGEMENT'S COMMENTS

The year 2020 as a whole was successful for AS Ekspress Grupp: despite the state of emergency and the economic uncertainty related to the corona crisis, the Group managed to strengthen its positions and significantly improve profitability. The revenue over the 12-month period decreased by 6% to EUR 63.2 million and net profit increased by 80% to EUR 2.5 million as compared to 2019. The share of the Group's digital revenue was 49% of the total revenue and 71% of the media segment revenue.

In the fourth quarter of 2020, the revenue of AS Ekspress Grupp totalled EUR 18.4 million and net profit totalled EUR 1.6 million. Considering the ongoing pandemic, the financial results of the Group were very strong in the 4th quarter. The revenue in the media segment demonstrated a strong recovery - as compared to the previous year, revenue remained at the same level, i.e. EUR 13 million. The media segment revenue for the entire year totalled EUR 43.7 million which is only 1% lower as compared to the previous year. The media segment revenue benefited from the strong sales of both online advertising as well as digital subscriptions.

The Group's 12-month revenue totalled EUR 63 million which is 6% lower than a year ago. The six per cent revenue drop is primarily related to the state of emergency in the 2nd quarter and the revenue drop of the printing services segment throughout the year.

In the 4th quarter, the digital revenue of Ekspress Grupp increased and accounted for 71% of the Group's media segment revenue and 49% of the Group's total revenue. In 2020, the volume of digital subscriptions of AS Ekspress Grupp increased by 73% in the Baltic States and was more than 81 thousand at the end of the year. The year 2020 was a breakthrough year for us in all of our markets in terms of the digital subscription growth of our periodicals. The key reason for subscription growth was the change in the people's attitudes and habits as well as the major changes and processes occurring in the society. Paying for high-quality digital content in one's native language is becoming a norm these days. The general background also supported the change - dissemination of fake news and conspiracy theories on social media platforms has in turn laid importance on objective journalism in the society.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 2.4 million in the 4th quarter which is EUR 0.7 million lower as compared to the 4th quarter of 2019. Due to the ongoing impact of the COVID-19 crisis on the economic situation, in the 4th quarter of 2020 the Group recognised a one-off impairment loss of property, plant and equipment in the amount of EUR 1.0 million and one-off public measures related to the corona crisis in the amount of EUR 0.4 million. The 12-month EBITDA totalled EUR 7.0 million, increasing by 3% year-over-year. While over the 12-month period, the Group's revenue was ca EUR 4.2 million lower as compared to 2019, primarily due to the impact of the COVID-19 pandemic, cost savings in the same period totalled EUR 5.4 million.

The Group's net profit totalled EUR 1.6 million in the 4th quarter and EUR 2.5 million over the 12-month period. The fourth quarter results were positively impacted by ongoing cost savings, revenue recovery and the adjustment of fair value of the unpaid future liability of the acquisition price of the ticket sales platform which was recognised as one-off financial income in the amount of EUR 0.7 million. The net profit earned in 2020 is 80% higher as compared to the previous year.

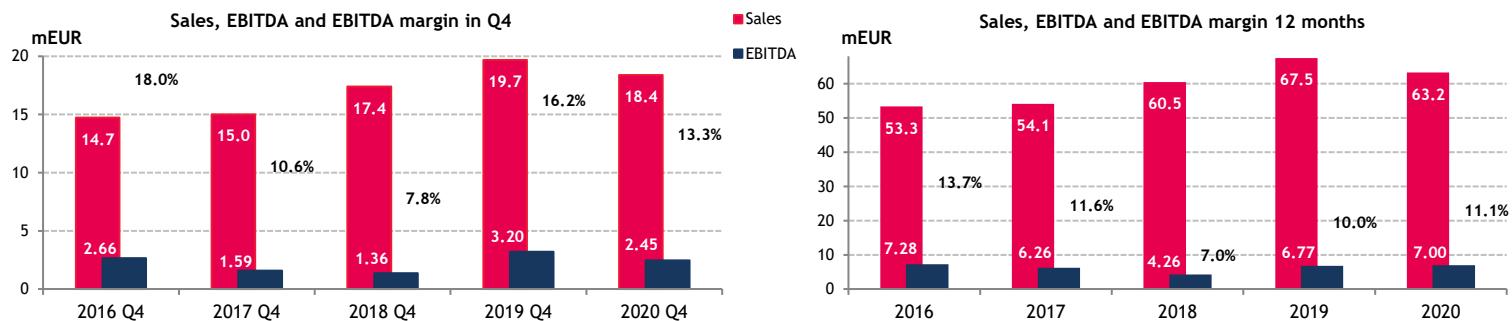
The state of emergency related to the COVID-19 crisis has impacted the activities of the Latvian ticket sales platform the most. The Latvian government has set a 50% limit on the occupancy rate of movie theatres and in November, a new state of emergency was declared that will last at least until 4 April 2021. Due to the state of emergency, all events have been cancelled as a result of which the activities of the ticket sales platform are considerably impaired. However, the ticket sales platform has been able to focus on the development of its web platform.

The Group's liquidity continues to be strong. As of 31 December 2020, the Group's available cash totalled EUR 6.3 million (31.12.2019: EUR 3.6 million). Liquidity was positively impacted by the grace periods granted by banks, periodisation of the tax payment liability and the salary subsidy received from the Estonian Unemployment Insurance Fund. For the Group, it is important to maintain its liquidity position as the future scope of the crisis related to the coronavirus is still unknown in 2021.

The Management Board makes a proposal not to distribute the profit for 2020 as the Group's goal is to continue to make investments in order to grow its digital business line. The strategic focus of AS Ekspress Grupp is the development of the highest quality and most effective media organisation, growth of its digital business both organically and through new acquisitions as well as maintaining its leadership position in print media as many readers still prefer the printed format in addition to digital media.

SUMMARY OF THE RESULTS OF THE FOURTH QUARTER AND 12 MONTHS

In accordance with International Financial Reporting Standards (IFRS), 50% joint venture should be recognised under the equity method in the consolidated financial statements. To provide a clearer uniform overview of the financial statements to the readers of the financial statements, from the 1st quarter of 2020, only the information relating to the joint ventures recognised under the equity method is presented in the financial statements and their results are shown as one line in the finance income.



REVENUE

The consolidated revenue for the 4th quarter of 2020 totalled EUR 18.4 million (4th quarter 2019: EUR 19.7 million). Revenue decreased by 7% year-over-year in the 4th quarter. The consolidated revenue for the 12 months of 2020 totalled EUR 63.2 million (12 months of 2019: EUR 67.5 million). For the full year the digital revenue accounted for 49% of total revenue and 71% of media segment revenue (12 months 2019: 45% of total revenue and 69% of media segment revenue, respectively).

PROFITABILITY

In the 4th quarter of 2020, the consolidated EBITDA totalled EUR 2.45 million (4th quarter 2019: EUR 3.20 million) and in the 12 months of 2020, the consolidated EBITDA totalled EUR 7.00 million (12 months 2019: EUR 6.77 million). In the 4th quarter of 2020, EBITDA decreased by 23% year-over-year and the EBITDA margin was 13.3% (4th quarter 2019: 16.2%) and in the 12 months of 2020, EBITDA increased by 3% as compared to the previous year and the EBITDA margin was 11.1% (12 months 2019: 10.0%). Due to the continuing impact of COVID-19 on the economic situation, the Group has recognized a one-time impairment of property, plant and equipment in the amount of EUR 1.0 million in the 4th quarter of 2020. Profitability was positively impacted by cost savings implemented throughout the entire Group the 2nd to the 4th quarter and the salary subsidy of the Estonian Unemployment Insurance Fund in the amount of EUR 1.14 million that was received in the 2nd quarter and was accrued as income in the second, third and fourth quarters. The salary subsidy accounted for EUR 0.41 million of the EBITDA in the 4th quarter of 2020 and EUR 1.14 million of the EBITDA in the 12 months of 2020. Compared to 2019, the Group has lost approximately EUR 4.2 million in sales revenue, mainly due to the impact of the COVID-19 pandemic, while EUR 5.4 million have been saved in expenses compared to the same period.

In the 4th quarter of 2020, the consolidated net profit totalled EUR 1.61 million (4th quarter 2019: EUR 1.65 million) and for the 12 months of 2020 totalled EUR 2.54 million (12 months 2019: EUR 1.41) which is EUR 1.13 million and 80% higher than in 2019. The net profit of the 4th quarter was positively impacted by the continuous cost savings, the recovery of sales revenue and the adjustment of fair value of unpaid future liability of the acquisition price of the ticket sales platform, which was recognized as a one-off financial income of EUR 0.7 million.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 6.3 million and equity in the amount of EUR 54.6 million (58% of total assets). The comparable data as of 31 December 2019 were EUR 3.6 million and EUR 51.6 million (54% of total assets), respectively. As of 31 December 2020, the Group's net debt totalled EUR 15.9 million (31 December 2019: EUR 20.7 million). Due to the state of emergency related to COVID-19, the Group concluded an agreement with AS SEB Pank to suspend loan payments in the period March-August 2020 (EUR 1.2 million) and with AS Citadele banka in the period of June-November 2020 (EUR 0.3 million). The salary subsidy received from the Estonian Unemployment Insurance Fund (EUR 1.14 million) and the postponement of the payment of tax arrears (EUR 1.60 million) due to the state of emergency for the period of 24 months had an additional positive impact on the Group's cash position.

BUSINESS OPERATIONS

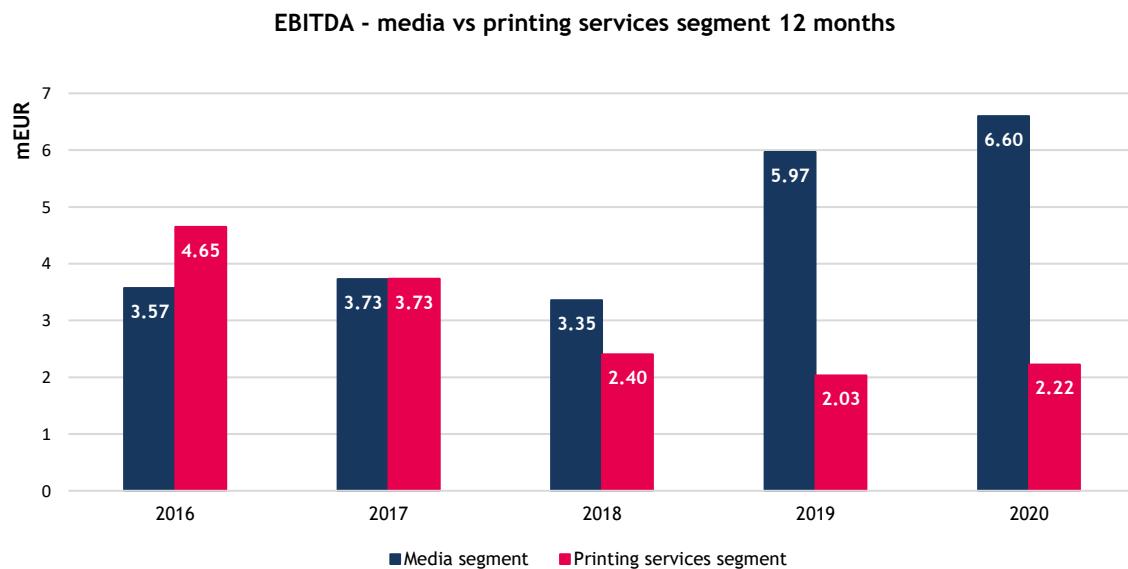
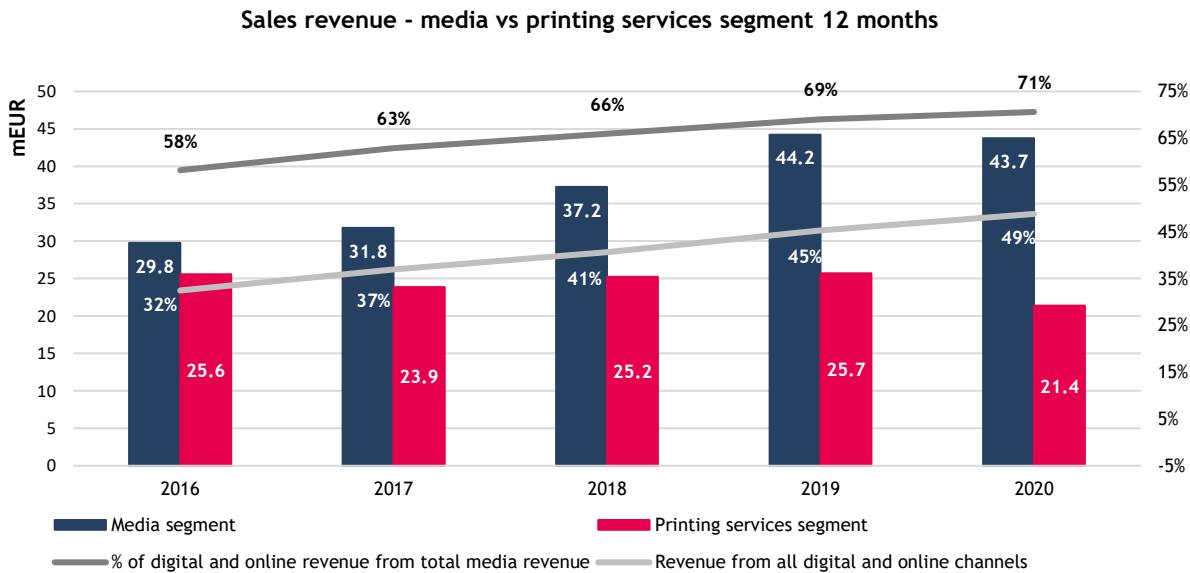
FINANCIAL INDICATORS AND RATIOS

In compliance with **International Financial Reporting Standards (IFRS)**, 50% joint ventures must be recognised under the equity method in the consolidated financial statements.

Performance indicators (EUR thousand)	Q4 2020	Q4 2019	Change %	12 months 2020	12 months 2019	Change %
For the period						
Sales revenue	18 377	19 685	-7%	63 243	67 456	-6%
EBITDA	2 448	3 196	-23%	7 004	6 772	3%
<i>EBITDA marginal (%)</i>	13.3%	16.2%		11.1%	10.0%	
Operating profit / (loss)	1 485	2 119	-30%	3 078	2 722	13%
<i>Operating margin (%)</i>	8.1%	10.8%		4.9%	4.0%	
Interest expenses	(219)	(229)	4%	(877)	(784)	-12%
Profit / (loss) of joint ventures under the equity method	(5)	(22)	78%	102	(38)	365%
Net profit / (loss) for the period	1 614	1 645	-2%	2 536	1 407	80%
<i>Net margin (%)</i>	8.8%	8.4%		4.0%	2.1%	
<i>Return on assets (ROA) (%)</i>	1.7%	1.7%		2.7%	1.6%	
<i>Return on equity (ROE) (%)</i>	3.0%	3.2%		4.9%	2.8%	
Basic earnings per share	0.05	0.05		0.08	0.05	
Diluted earnings per share	0.05	0.05		0.08	0.05	

Balance sheet (EUR thousand)	31.12.2020	31.12.2019	Change %
As of the end of the period			
Current assets	18 482	19 472	-5%
Non-current assets	75 696	75 935	0%
Total assets	94 177	95 407	-1%
<i>incl. cash and cash equivalents</i>	6 269	3 647	72%
<i>incl. goodwill</i>	43 085	42 628	1%
Current liabilities	18 945	21 647	-12%
Non-current liabilities	20 613	22 137	-7%
Total liabilities	39 558	43 784	-10%
<i>incl. borrowings</i>	22 202	24 342	-9%
Equity	54 619	51 622	6%

Financial ratios (%)	31.12.2020	31.12.2019	Change %
Equity ratio (%)	58%	54%	7%
Debt to equity ratio (%)	41%	47%	-14%
Debt to capital ratio (%)	23%	29%	-21%
Total debt/EBITDA ratio	3.17	3.59	-12%
Liquidity ratio	0.98	0.90	9%



SEGMENT OVERVIEW

The Group's activities are divided into two large segments - **media segment** and **printing services segment**.

The media segment includes the Group's activities in Estonia, Latvia and Lithuania. It comprises the operations of online portal Delfi, several other news portals providing online advertising network and programmatic sales solutions, digital outdoor advertising in Estonia and Latvia, publishing of the Estonian weekly newspapers Maaleht, Eesti Ekspress and LP, publishing of the daily newspaper Päevaleht, publishing of books and magazines in Estonia and providing home delivery services. The media segment also includes organisation of the technology and innovation conference Login in Lithuania (since March 2019), operation of the electronic ticket sales platform (bilesuparadize.lv) and ticket sales sites in Latvia (since June 2019) and production studio for content creation in Lithuania.

The printing services segment includes AS Printall which one of the largest is printing companies in Estonia. We are able to print high-quality magazines, newspapers, advertising materials, product and service catalogues, yearbooks, paperback books and other publications in our printing plant.

Key financial indicators for segments

(EUR thousand)	Sales					
	Q4 2020	Q4 2019	Change %	12 months 2020	12 months 2019	Change %
Media segment	13 061	13 441	-3%	43 728	44 218	-1%
<i>incl. revenue from all digital and online channels</i>	9 625	9 842	-2%	30 963	30 534	1%
<i>incl. % of revenue from all digital and online channels</i>	74%	73%		71%	69%	
Printing services segment	5 670	6 906	-18%	21 384	25 695	-17%
Corporate functions	1 032	518	99%	2 761	2 076	33%
Inter-segment eliminations	(1 387)	(1 180)		(4 629)	(4 533)	
TOTAL GROUP	18 377	19 685	-7%	63 243	67 456	-6%
<i>incl. % of revenue from all digital and online channels</i>	52%	50%		49%	45%	

(EUR thousand)	EBITDA					
	Q4 2020	Q4 2019	Change %	12 months 2020	12 months 2019	Change %
Media segment	3 110	2 978	4%	6 601	5 966	11%
Printing services segment	790	567	39%	2 224	2 032	9%
Corporate functions	(394)	(296)	-33%	(720)	(1 150)	37%
Inter-segment eliminations*	(1 058)	(52)		(1 101)	(75)	
TOTAL GROUP	2 448	3 196	-23%	7 004	6 772	3%

* Due to continuing impact of COVID-19 on economical situation the group has recognised an impairment loss for property, plant and equipment in amount of EUR 1.0 million in the 4th quarter 2020.

EBITDA margin	Q4 2020	Q4 2019	12 months 2020	12 months 2019
Media segment	24%	22%	15%	13%
Printing services segment	14%	8%	10%	8%
TOTAL GROUP	13%	16%	11%	10%

Formulas used to calculate the financial ratios

EBITDA	Earnings before interest, tax, depreciation and amortisation. EBITDA does not include any impairment losses recognised during the period or result from restructuring.
EBITDA margin (%)	EBITDA/sales x 100
Operating margin (%)	Operating profit /sales x100
Net margin (%)	Net profit in financial statements/sales x100
Earnings per share	Net profit / average number of shares
Equity ratio (%)	Equity/ (liabilities + equity) x100
Debt to equity ratio (%)	Interest bearing liabilities /equity x 100
Debt to capital ratio (%)	Interest bearing liabilities - cash and cash equivalents (net debt) /(net debt +equity) x 100
Total debt/EBITDA ratio	Interest bearing borrowings /EBITDA
Debt-Service Coverage Ratio (DSCR)	EBITDA/(interest payments + principal repayments)
Liquidity ratio	Current assets / current liabilities
Return on assets ROA (%)	Net profit /average assets x 100
Return on equity ROE (%)	Net profit /average equity x 100

MEDIA SEGMENT

ONLINE MEDIA

Important progress and significant accomplishments per country are listed below.

Estonia

- The revamped [homepage](#) of Ekspress Meedia was launched.
- Anne & Stiil launched a new format [Anne & Stiili Trenditurg](#), where it is possible to view and buy beauty and fashion items of Estonian small companies.
- Noteworthy multimedia solutions of Ekspress Meedia included: [Influential people - Martin Helme](#), [Influential people - Arkadi Popov](#), [the predictions that never came true](#), [options to investigate Estonia's sinking](#), [the Drama Theatre 100](#), [Maaleht YEAR 2020](#) | Rally, potato crop, nature trips and other happy moments in the middle of the prevailing depression.
- [Kroonika](#), [Eesti Ekspress](#), [Maaleht](#) and [Eesti Päevaleht](#) launched the upgrades of their portals.
- Ekspress Meedia and Ōhtuleht Kirjastus implemented several platform, service and design upgrades targeted at digital subscribers.
- Ekspress Meedia and Ōhtuleht Kirjastus attained new digital subscriber records and revenue records of its digital products.

Latvia

- DELFI was the main media partner for "Ēstprieks" and "White Friday" charity campaigns, "Pašvadīta mācīšanās" initiative for school kids who study from home, "Astronaut" band and "Apturi Covid" app.
- DELFI significantly increased the volume and quality of paid content during the Q4 that helped finished the year with 11 143 subscribers. In addition to quality content growth Delfi also introduced new pricing plans. DPlus readers can now also buy yearly subscription as well as DPlus and MVP bundles.
- DELFI reached 900 000 monthly unique readers in December 2020 (gemiusAudience).
- The 3rd year in a row DELFI launched its charity project "Stiprini Stipros" (strengthen the strongest people). This time the charity project collected 78 000 euro.

Lithuania

- Together with the magazine "Reitingai", Delfi conducted a survey and selected most socially responsible companies, entrepreneurs and personalities who [contribute to the creation of Lithuania's prosperity in ten different categories](#): health, education, culture and art, religion, children, the disabled, seniors, people experiencing exclusion, social responsibility through employment, and animal care.
- Google selected [Demaskuok/Debunk](#) project to the 15 best projects made under Digital News Innovation Fund supported programs.
- [Delfi Lie Detector](#) was nominated among the 9 best fact-finding initiatives in Europe by Facebook.
- In December, Delfi Lithuania was again the [market leader](#) according to all main monthly readership metrics (gemiusAudience).
- Delfi achieved new record in digital subscribers of the [Delfi Plius](#) service.

In the 4th quarter of 2020, media segment revenue totalled EUR 13.1 million (4th quarter 2019: EUR 13.4 million) and in the 12 months of 2020, revenue totalled EUR 43.7 million (12 months 2019: EUR 44.2 million). In the 4th quarter, advertising revenue demonstrated decent recovery. After the 2nd quarter, it is evident that advertising customers prefer the Internet and this has put paper products in a more complicated situation. The state of emergency related to COVID-19 still has the most profound impact on the Latvian ticket sales platform, where the Latvian State has imposed a 50% limit on the occupancy rate of events and starting from the middle of 4th quarter called the state of emergency and closed all the events. The Latvian government has extended the state of emergency that will last at least until 4 April 2021.

Digital media is growing as expected. At the end of the 4th quarter of 2020, the Group's digital revenue accounted for 49% of total revenue and 71% of media segment revenue.

The EBITDA of the media segment in the 4th quarter of 2020 totalled EUR 3.1 million (4th quarter 2019: EUR 3.0 million) and in the 12 months of 2020, EBITDA was EUR 6.6 million (12 months 2019: EUR 6.0 million). As compared to the 4th quarter of the previous year, EBITDA increased by 4% and by 11% in 12-month period. This was positively impacted by cost savings carried out throughout the Group and employee salary cuts as well as the salary subsidy received from the Estonian Unemployment Insurance Fund (during 2nd - 4th quarters). The subsidy was accrued as income in the amount of EUR 0.3 million in the 4th quarter and EUR 0.8 million in the 12-month period.

The joint venture Ōhtuleht Kirjastus AS, a key media company on the Estonian market is recognised under the equity method and included as one line item within finance income in the Group's results. In the 4th quarter of 2020, the revenue of Ōhtuleht Kirjastus AS totalled EUR 3.5 million (4th quarter 2019: EUR 3.6 million) and in the 12 months of 2020 the revenue totalled EUR 13.4 million (12 months 2019: EUR 13.8 million). Despite the state of emergency in the 2nd quarter, the advertising and distribution revenue of Ōhtuleht Kirjastus AS has remained stable through out the year.

DIGITAL SUBSCRIPTIONS

The number of digital subscriptions of the Group increased by 73% across all Baltic States and totalled 81 254 at the end of December 2020.

- The number of digital subscriptions of AS Ekspress Meedia that publishes the news portal Delfi, newspapers Eesti Päevaleht, Maaleht, Eesti Ekspress and several popular magazines increased by 53% year-over-year and reached 49 696.
- At the same time, the number of digital subscriptions of AS Ōhtuleht, 50% of which is owned by Ekspress Grupp, increased by 36% to 13 820.
- The market share of Ekspress Grupp in the digital subscriptions of all Estonian media outlets (according to the data by the Estonian Association of Media Enterprises) was 50% at the end of December.
- In Latvia, the number of digital subscriptions of Ekspress Grupp increased by more than 2.5 times and totalled 11 143 at the year-end. In Lithuania, the number of digital subscriptions totalled 6 595 at the year-end, increasing by almost 700% in a year. Both in Latvia and Lithuania, digital subscriptions are not as widespread as in Estonia with Ekspress Grupp launching them in the market in 2019.

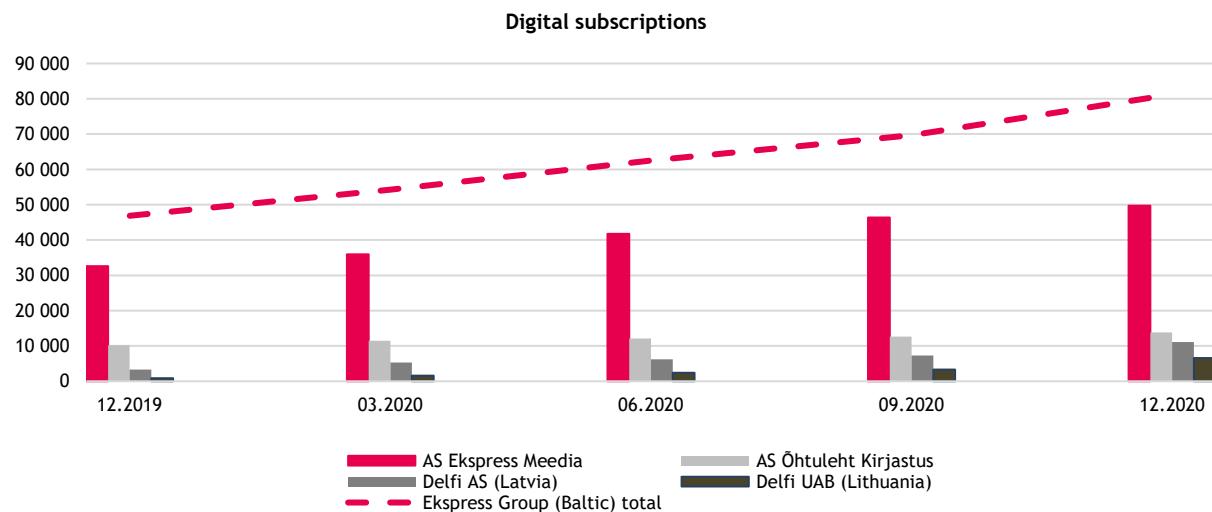
The year 2020 was a breakthrough year for digital subscriptions of the Group's periodicals in all markets. The driver behind the growth of subscriptions was the change in the attitudes and habits of people who are more willing to pay for digital content in their home language. The general background also supported this change - in the world dominated by fragmented information societies, objective journalism is increasingly more appreciated. Ekspress Grupp has been the most successful Estonian media company in terms of its digital subscriptions. The most popular subscription is Delfi's complete package that provides access to the largest media outlets of Ekspress Grupp (except for Ōhtuleht).

The Group launched the sale of paid content in Latvia and Lithuania only in 2019. The preliminary results in these markets also demonstrate that readers are willing to gradually embrace the digital subscription model. It is expected higher growth in the Latvian and Lithuanian market in the upcoming years.

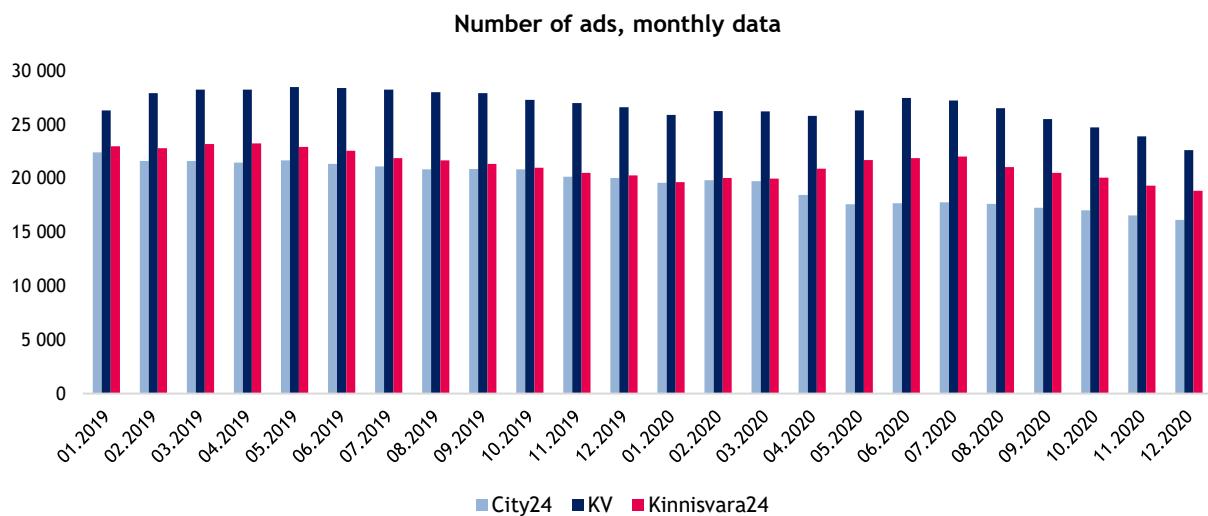
At the time when two-thirds of the digital advertising funds of the Baltic States is moving tax-free into the hands of major global platforms, such as Google and Facebook, the addition of new digital subscribers is crucial for the survival of local journalism.

Detailed overview of digital subscriptions:

(number of subscritipons)	31.12.2020	30.09.2020	change	31.12.2019	change
AS Ekspress Meedia	49 696	46 362	7%	32 562	53%
AS Öhtuleht Kirjastus	13 820	12 653	9%	10 197	36%
Delfi AS (Latvia)	11 143	7 305	53%	3 284	239%
Delfi UAB (Lithuania)	6 595	3 348	97%	834	691%
Ekspress Group total	81 254	69 668	17%	46 877	73%
Market total (Estonia)	126 601	113 873	11%	84 965	49%



REAL ESTATE PORTAL



The real estate market in the 4th quarter of 2020 was active despite the impact from the corona crisis and a lot of transactions were concluded. Therefore, the number of ads in all real estate portals fell to the lowest level over the last several years. However, the number of searches increased, i.e. even with lower supply, the demand remains strong. [Kinnisvara24.ee](#) has maintained its strong second position and the gap separating it from the market leader has fallen to the lowest level ever.

PRINTING SERVICES SEGMENT

In the 4th quarter of 2020, the revenue of AS Printall totalled EUR 5.7 million (4th quarter 2019: EUR 6.9 million) and in the 12 months of 2020, revenue totalled EUR 21.4 million (12 months 2019: EUR 25.7 million). The 2nd and 3rd quarters were primarily impacted by the state of emergency related to COVID-19. Although revenue partly recovered in the 4th quarter, but it was still 18% lower and 17% lower in the 12-month period as compared to the previous year, the company managed to keep the margins up and even more implement the overall efficiencies in the production. The revenue of printing services has declined in Estonia also due to the decline of the share of print media and advertising brochures of large store chains as well as stronger competition in the local market. In the 4th quarter of 2020, EBITDA totalled EUR 0.79 million, including accrual of the salary subsidy in the amount of EUR 0.13 million (EBITDA in the 4th quarter 2019: EUR 0.57 million) and in the 12 months of 2020, EBITDA totalled EUR 2.2 million, including accrual of the salary subsidy in the amount of EUR 0.34 million (EBITDA in 12 months 2019: EUR 2.0 million).

For several consecutive years, the printing services segment has been under pressure due to continued digitalisation of regular journalism and increasing popularity of the Internet as compared to printed products. Competition concerning sales prices continues to be intense. The sales volumes of print circulations have declined which in turn has led to higher printing costs. In addition, appreciation of input prices (incl. labour, paper and electricity) is another major challenge.

The Group still has strong customer relations in the Nordic countries and Western Europe, as result of which Printall has managed to maintain its share of exports despite the restrictions caused by COVID-19. In 2020, the share of revenue outside Estonia was 62% in 2020 (2019: 63%).

In the 1st quarter, AS Printall completed the installation of semi-finished product collection systems for magazine web press and flow-feed systems for binding machines with loading equipment for semi-finished product that is the largest investment over the last several years and that was launched in 2019. As a result of the investment, the production process of the printing house has been significantly automated. After the installation of the equipment, AS Printall has automated the work of about 25 people who were laid off during the 1st quarter of 2020.

The Group's goal is the keep the printing service area as a diversified and modern area with innovative approaches where in today's changing environment the company can quickly adapt to various changes that impact the area.

RESPONSIBILITY OF A MEDIA GROUP IN THE SOCIETY

Ekspress Group is the leading media group in the Baltic States. As a large publicly listed media company, the Group has a major impact in the society; therefore the credibility and integrity of all companies of Ekspress Group need to be safeguarded at all times. As the main creator of the open information space in the Baltic States and a large employer, the group companies need to be managed in a responsible manner, the employees valued and motivated, customer relations well maintained and the journalistic content reliable and independent.

Ekspress Group's responsibility manifests itself primarily in the following aspects:

- impact, role and responsibility of media's daily functioning,
- raising important issues from the social perspective,
- ensuring customer experience and satisfaction,
- being an employer to almost 1 700 people,
- additional contribution to the development of the society and the sector,
- conscious environmental management.

In its daily operations, the company follows the following principles:

- Group companies are managed in an honest, law-abiding and ethical manner. The parties related to Ekspress Group and the society at large expect that.
- We raise the topics of importance to the society, draw attention to them, talk honestly and openly about them. We draw attention to the initiatives that are important in the society both in the content of media coverage as well as through additional cooperation projects.

Public impact, role and responsibility of media companies

The main public impact, responsibility and opportunity to make a positive contribution come from the Group's media businesses - creation of a journalistic content, i.e. coverage of the viewpoints of various parties and comprehensive articles help fill the information space with valuable content. The society and readers expect independence, quality and credibility from Ekspress Group media companies.

Similarly to other media companies, Ekspress Group also has a task to take into account current social trends and media sector's developments when creating journalistic content:

- The society is becoming more polarised, there are widespread perceptions that deliberately try to disrupt both media and the society, and that are also vehemently oppose to which in turn increases readability of news in all channels;
- An increasingly greater variety of devices are used for media consumption, there is a trend from the computer screen to the mobile phone screen that sets requirements for technical solutions - the content of all periodicals needs to be consumable in different devices;
- The trend of media companies to enter new areas that support the media business: real estate and ticket sales portal, content marketing, event organisation.

Journalistic ethics starts with independence

The work of journalists and periodicals should not be influenced by business interests, political links, personal relations and gains, bribes or other benefits. The Group adheres to the principles of balanced journalism, various parties are allowed to express themselves and counter-arguments are permitted; source information is always verified and if necessary, each journalist needs to ensure source protection and confidentiality. In covering sensitive topics, it is important to recognise a line, the crossing of which is not ethical.

MEDIA RECOGNITIONS AND AWARDS IN 2020

Estonia

In March 2020, the winners of the competition of the Estonian Newspaper Association "Newspaper awards 2019" were announced. They include several employees and periodicals of Ekspress Group:

- The winner in the multimedia category was the article published in Delfi on 28 March 2019 "This is how films are made: take a look how the effect magic of "Truth and Justice" was born", whose authors are Ra Ragnar Novod, Heleri Kuris, Ats Nukki, Mart Nigola, Madis Veltman, Kristi Helme and Mihkel Ulk.



- In the feature article category, the winner was **Eero Epner** from Eesti Ekspress with his article published in Eesti Ekspress on 8 May 2019 "**Because They Can**". This article was also noticed and received recognition outside the media sector. Pärnu Women's Asylum handed out the prize Okas for the first time to recognise the people who help to prevent domestic violence. The prize Okas was awarded to Eesti Ekspress journalist **Eero Epner** who this year wrote the article "**Because They Can**" dealing with domestic violence that received a lot of media attention.
- In the news category, the winner was **Mikk Salu** for his article published in Eesti Ekspress on 13 February 2019 "**The great lie: Rainer Vakra's thesis is plagiarism**".
- The winners of the design award for the feature articles of national newspapers were **Ants Nukki** and **Tarmo Rajamets** for the article published in Eesti Ekspress on 8 May 2019 "**Because they can**".
- The winners in the category of the visual communication of national newspapers were **Eiko Ojala** and **Tarmo Rajamets** for the

illustration of Eesti Ekspress on 11 December 2019 "**Silencing of officials**"



In February 2020, the journalists of Eesti Ekspress and the Estonian Broadcasting Company were awarded the **2019 Bonnier prize** for investigative journalism. **Sulev Vedler** from Eesti Ekspress and **Anna Pihl** from the Estonian Broadcasting Company won the award for covering the topic of the listeria bacteria.

At the beginning of 2020, the winners of the press photo of the **Estonian Association of Press Photographers** were announced.



- The award for the feature photo was given to **Priit Simson** from Ekspress Meedia for his photo series "**Different kinds of neighbours**". The photo series was made of the houses seemingly "glued" to each other in Pelgulinna.

Latvia

- Latvian Journalists Association awarded **Ingus Berzīš** as "**The chief editor of 2019**" and **Rus.DELFI** for the "**Best content on minority language in 2019**".

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

The supervisory board of AS Ekspress Grupp has in accordance with clause 5.9 of the articles of association and the resolutions of the general meeting of shareholders from 29.09.2020 decided on 2 November 2020 to increase the share capital of the company by EUR 600 000 for the realisation of the option programme from EUR 17 878 105 to EUR 18 478 105, by issuing 1 000 000 new common shares with the nominal value of EUR 0.6 per share.

The increase of the share capital and issue of new shares was directed to the organiser of the option programme, i.e. AS LHV Pank, who has subscribed for all 1 000 000 issued shares. The share capital increase has been entered in the Commercial Register on 19.11.2020.

As of 31 December 2020, the company's share capital is EUR 18 478 105 (31.12.2019: EUR 17 878 105), which is divided into 30 796 841 (31.12.2019: 29 796 841) shares with the nominal value of 0.6 euros per share.

All shares are of one type and there are no ownership restrictions. The company does not have any shares granting specific controlling rights and the company lacks information about agreements dealing with the restrictions on voting rights of shareholders. The articles of association of the public limited company set no restrictions on the transfer of the shares of the public limited company. The agreements entered into between the public limited company and the shareholders set no restrictions on the transfer of shares. In the agreements concluded between the shareholders, they are only known to the company to the extent related to pledging of securities and that is public information.

Structure of shareholders as of 31 December 2020 according to the Estonian Central Register of Securities

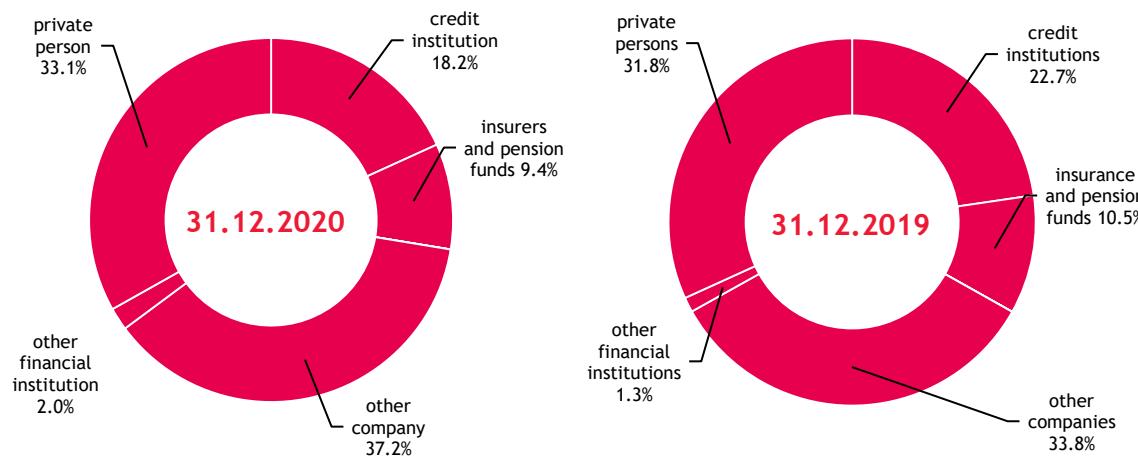
Name	Number of shares	%
Hans H. Luik and companies under his control	18 562 832	60.28%
<i>Hans H. Luik</i>	7 963 307	25.86%
<i>OÜ HHL Rühm</i>	10 599 525	34.42%
ING Luxembourg S.A.	4 002 052	13.00%
LHV Bank and funds managed by LHV Varahaldus	2 541 583	8.25%
Other minority shareholders	5 348 953	17.37%
Treasury shares	341 421	1.11%
TOTAL	30 796 841	100.0%

KJK Fund SICAV-SIF has an ownership interest through the account of ING Luxembourg S.A.

As of 31 December 2020, the ownership interest of Hans H. Luik as the ultimate beneficiary of AS Ekspress Grupp is 56.15% (17 290 889 shares).

Distribution of shareholders by category according to the Estonian Central Register of Securities

Category	31.12.2020		31.12.2019	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Private persons	2 996	10 206 842	2 613	9 473 567
Other companies	206	11 471 638	190	10 057 842
Other financial institutions	40	621 907	40	390 590
Credit institutions	12	5 606 461	11	6 756 249
Insurance and pension funds	7	2 889 574	8	3 118 174
Non-profit organisations	2	419	2	419
TOTAL	3 263	30 796 841	2 864	29 796 841



AS Ekspress Grupp share information and dividend policy

Share information

ISIN	EE3100016965
Ticker symbol	EEG1T
List/segment	BALTIC MAIN LIST
Issuer	Ekspress Grupp (EEG)
Nominal value	EUR 0.60
Issued shares	30 796 841
Listed shares	30 796 841
Date of listing	05.04.2007

Payment of **dividends** is decided annually and it depends on the Group's results of operations, fulfilment of conditions laid down in the loan contract and potential investment needs. Over the last two years (incl. in 2020), the Group has not paid any dividends as the Group's goal is to continue with its investments in growing its digital business line. The long-term strategy of Ekspress Grupp foresees adoption of a primarily digital business model. As a result of the activities implemented over the last five years, the company depends less and less on the printing services.

Securities trading history 2016-2020

Price (EUR)	12 months 2020	12 months 2019	12 months 2018	12 months 2017	12 months 2016
Opening price	0.83	1.03	1.26	1.32	1.35
Closing price	0.80	0.83	1.04	1.25	1.32
High	0.86	1.03	1.38	1.37	1.37
Low	0.59	0.72	0.99	1.21	1.18
Average	0.68	0.86	1.20	1.30	1.27
Traded shares, pieces	2 886 728	762 202	751 026	538 175	696 292
Sales, EUR million	1.95	0.66	0.90	0.70	0.88
Capitalisation at balance sheet date, EUR million	24.48	24.58	30.99	37.25	39.33
P/E ratio (price earnings ratio)	9.76	17.64	4 701.36	11.84	8.93

The price of the share of Ekspress Group (EEG1T) in euros and the trading statistics on NASDAQ Tallinn Stock Exchange from 1 January 2016 until 31 December 2020.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2016 until 31 December 2020.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE AND STRUCTURE

As a media group favouring independent and transparent journalism, keeping its trustworthy reputation is of great importance to Ekspress Group. This requires impeccable adherence to journalism ethics and general rules of conduct as well as laws.

In its business activities, Ekspress Groups proceeds from legal regulations in all of its markets (Estonia, Latvia and Lithuania), the Company's articles of association, as a publicly listed company from the requirements of Nasdaq Tallinn Stock Exchange, the guidelines of the Corporate Governance Code (CGC) and the equal treatment of its shareholders and investors. There is zero tolerance at the Group regarding conflict of interest, corruptive behaviour or dishonest competition.

Estonian media companies follow the code of ethics of the Estonian Newspaper Association and the Estonian Magazine Association; company-based ethics and behaviour codes are available at Delfi Latvia and Delfi Lithuania. In addition to ethical norms, Ekspress Group companies follow the local market's data protection, public information and other relevant laws in their media work. In unregulated situations, companies proceed from the public interest and integrity principle when making decisions. This is described in more detail in the financial statements' chapter "Responsibility of a media group in the society".

Corruption, ethics and various compliance risks are generally managed at the subsidiary level. To ensure uniform conduct, new employees of group companies are taught the company's business philosophy, journalism ethics, source protection, sales and marketing issues, staff principles and other necessary topics.

As honest conduct starts from the communication in one's organisation, several group companies have recently started to pay more targeted attention to making team cooperation, employee dialogue, information movement and assumption of personal responsibility more efficient.

At the Group level, regular information exchange takes place between the Management Board of the parent company of Ekspress Group and the senior management of subsidiaries. This ensures involvement of a larger circle of decision-makers and transparency in case of large-scale transactions, changes and decisions.

The Group's management structure is the same as its legal structure.

GROUP'S LEGAL STRUCTURE

As of 31 December 2020, the Group consists of 22 companies (31.12.2019: 24). A detailed list of group companies is disclosed in Note 1 to the financial statements.

Changes in the Group's legal structure

On 10 July 2019, the wholly-owned subsidiary of AS Ekspress Grupp, UAB Adnet Media, adopted a decision to liquidate its wholly-owned subsidiary OÜ Adnet Media. The entry in the Commercial Registry was made on 27 February 2020.

On 2 January 2020, the Supervisory Board of AS Ekspress Grupp decided to carry out several changes in the group structure in order to increase management efficiency and transparency, simplify the group structure and streamline the provision of corporate financial services.

The Supervisory Board decided to merge UAB Login Conferences with UAB Delfi (the entry in the Commercial Registry was made on 4 May 2020) and dissolve UAB Sport Media. In Latvia, SIA Delfi Entertainment was dissolved (the entry in the Commercial Registry was made on 28 February 2020). The dissolved companies were dormant. In Estonia, a new wholly-owned subsidiary OÜ Ekspress Finants was set up through a spin-off from AS Printall (the entry in the Commercial Registry was made on 27 March 2020) and the Group's financial unit will be combined with it. The new company will provide corporate finance and accounting services to the Group's subsidiaries in Estonia.

SIA Delfi Tickets Service, the 100% subsidiary of AS Ekspress Grupp, decided to merge subsidiaries SIA Biļešu Paradīze and SIA Delfi Tickets. The merger was concluded for the purpose of simplifying the Group's management and legal structure. The entry in the Commercial Register was made on **14 February 2020**.

On **31 March 2020**, OÜ Hea Lugu, the 100% subsidiary of AS Ekspress Grupp, established with other publishers Eesti Audioraamatute Keskus OÜ, in which the ownership interest of OÜ Hea Lugu is 33.33%. The key activity of the company is publishing and sale of audio books.

Changes in the management of the Group's subsidiaries

On 10 December 2020, the Supervisory Board of AS Ekspress Meedia decided to extend for the next three years the mandate of the Chairman of the Management Board Argo Virkebau as a Member of the Management Board until 1 January 2024 and the mandate of Karin Vene as a Member of the Management Board until 31 July 2024. At the same time, the mandate of Kaspar Hanni as a Member of the Supervisory Board of AS Ekspress Meedia has also been extended for the next five years until 31 January 2026. The Management Board and the Supervisory Board of AS Ekspress Meedia will continue in the former composition. The Management Board: Argo Virkebau (the Chairman), Urmo Soonvald, Tarvo Ulejев, Erle Laak-Sepp and Karin Vene. The Supervisory Board: Hans Luik (the Chairman), Mari-Liis Rüütsalu, Signe Kukin and Kaspar Hanni.

On 24 March 2020, the Supervisory Board of AS Printall decided to extend the mandate of the member of the Management Board Tõnis Peebo until 27 March 2023. The company's Management Board continues with its current three members: Andrus Takkin (Chairman of the Management Board), Evali Münts and Tõnis Peebo.

On 16 April 2020, the Chairman of the Supervisory Board of AS Ekspress Grupp Ahto Pärl resigned from the position of the member of the Supervisory Board of AS Printall. The Supervisory Board of Printall will also continue with its four members: Hans H. Luik (Chairman), Mari-Liis Rüütsalu, Signe Kukin and Kaspar Hanni.

On 5 June 2020, the Supervisory Board of AS Ekspress Meedia decided to extend the mandate of Tarvo Ulejev until 10 June 2023 and the authority of the member of the Management Board Erle Laak-Sepp until 12 July 2023.

GENERAL MEETING OF SHAREHOLDERS

The general meeting is the highest governing body of AS Ekspress Grupp. Regular general meetings are held once a year not later than six months after the end of the financial year at the seat of the company. Extraordinary general meetings are allowed to be convened in cases prescribed by law.

The regular meeting of the shareholders of AS Ekspress Grupp was held on 17 June 2020 in the seat of the public limited company. All members of the Management Board participated in the meeting. The general meeting:

- approved the consolidated annual report and profit allocation proposal of AS Ekspress Grupp for 2019. Of the net profit for 2019 in the amount of EUR 1 394 thousand, the statutory capital reserve was increased by EUR 70 thousand and the remaining amount of EUR 1 324 thousand was taken to retained earnings.
- Priit Rohumaa was elected as member of the Supervisory Board of AS Ekspress Grupp for the term of five years until 16.06.2025.
- A decision was made to pay monthly remuneration of EUR 1 000 to member of the Supervisory Board of AS Ekspress Grupp Priit Rohumaa.
- OÜ KPMG Baltics was elected as the auditor of AS Ekspress Grupp for the period of 01.01.2020-31.12.2023.
- Proposals to amend the articles of association were approved.

The extraordinary meeting of the shareholders of AS Ekspress Grupp was held on 29 September 2020 in the seat of the public limited company. All members of the Management Board participated in the meeting. The general meeting:

- The implementation of the share option program approved on 13.06.2017 was desided and the shareholders' general meeting resolution adopted on 13.06.2017 was amended.
- Decided to exclude the shareholders' preferential right to subscribe shares which are issued for the implementation of the share option program approved on 13.06.2017.
- The articles of association was amended.
- New share option program of AS Ekspress Grupp for the period 2021-2023 was approved.

SUPERVISORY BOARD

The Supervisory Board of the Company approves the activities of the company, organises its management and supervises the activities of the Management Board. The Supervisory Board plans the activities of the company, organise the management of the company and supervise the activities of the Management Board. The Supervisory Board notifies the general meeting of shareholders of the results of a review. The Chairman of the Supervisory Board organises the work of the Supervisory Board. The main duties of the Supervisory Board are to approve the Group's key strategic and tactical decisions and to supervise the activities of the Group's Management Board. The Supervisory Board's actions are guided by the company's articles of association, guidelines of the general meeting and law. The meetings of the Supervisory Board generally take place once a quarter, in other cases, meetings shall be held according to the needs of the Group and decisions can also be made by e-mail.

According to the articles of association, the number of members of the Supervisory Board is between three and seven. The number of the members shall be determined by the General Meeting. The members of the Supervisory Board shall be elected by the General Meeting for a term of five years. Since 17 June 2020, the Supervisory Board of Ekspress Group has five members. At the general meeting of shareholders held on 17 June 2020, Priit Rohumaa was elected as a new member of the Supervisory Board and it was decided to change the procedure for paying remuneration to the members of the Supervisory Board. Since 17 June 2020, monthly remuneration paid to member of the Supervisory Board Priit Rohumaa is EUR 1 000. The other members of the Supervisory Board do not receive any remuneration. The Supervisory Board of AS Ekspress Grupp elected Priit Rohumaa as the new chairman and member of the Audit Committee beginning with 19 June 2020.

Priit Rohumaa (appointed until 16.06.2025)

- Chairman of the Supervisory Board and member of the Audit Committee, in the Supervisory Board since 17.06.2020.
- Viru Keemia Grupp AS, Chairman of the Management Board in 2009-2015
- Chairman of the Council of Arenguseire Keskus
- Member of the Supervisory Board of Tallinna Vesi AS, the alumnae association of Tallinn University of Technology, the European Business Angel Network in Brussels, the Estonian Business Angel Network, Nutshell Invest OÜ
- Bachelor's degree in energy and Master's degree from Tallinn University of Technology and Master's degree in international business management from the Estonian Business School.
- Number of shares of AS Ekspress Grupp: -.

Hans H. Luik (appointed until 20.05.2024)

- Member of the Supervisory Board since 1.06.2004
- Member of the Management Board of OÜ HHL Rühm
- Member of the Management Board of OÜ Minigert
- Graduated from University of Tartu in 1984 with a degree in journalism
- Number of shares of AS Ekspress Grupp: 17 290 889 (56.15%)

Indrek Kasela (appointed until 20.05.2024) - independent Supervisory Board member

- Member of the Supervisory Board since 20.06.2014
- Partner of the private equity fund Amber Trust
- Chairman of the Management Board of AS PRFoods
- Member of the Supervisory Board of AS Toode, ELKE Grupi AS, EPhaG AS and Salva Kindlustuse AS
- Graduated from New York University in 1996 with a Master's degree in law. Bachelor's degree from Tartu University in 1994, has a certificate in EU law from Uppsala University.
- Number of shares of AS Ekspress Grupp: -.

Peeter Saks (resigned on 11.01.2021) - independent Supervisory Board member

- Member of the Supervisory Board since 26.10.2016 until 11.01.2021
- Managing partner of Baltics private equity and venture capital company AS BaltCap
- Member of the Management Board of BC EKT HoldCo OÜ and Surroundings OÜ
- Member of the Supervisory Board of AS Epler & Lorez, AS Adam Bd, Intrac Eesti AS, BPT Real Estate AS, Fitek AS, Eesti Keskkonnameenused AS, Radix Hoolduse OÜ, OÜ Kudjape Ümberlaadimisjaam and Radix Rent OÜ
- Graduated from Tallinn University of Technology in 1993, specialising in economics
- Number of shares of AS Ekspress Grupp: -.

Aleksandras Česnavičius (appointed until 26.10.2021) - independent Supervisory Board member

- Member of the Supervisory Board since 26.10.2016
- General Manager of Central European Media Enterprises Ltd. Romanian region
- Managing Director of Delfi Lithuania between 2011-2013
- Graduated from Vilniaus Universitetas in Lithuania with a PhD in Media in 2010
- Number of shares of AS Ekspress Grupp: -.

The Chairman of the Supervisory Board of AS Ekspress Grupp Ahto Pärl who was member of the Supervisory Board and the Audit Committee of AS Ekspress Grupp since 22 November 2018, resigned from the position of the member of the Supervisory Board and member of the Audit Committee of Ekspress Grupp as well as the member of the Supervisory Board of AS Printall on 16 April 2020.

The member of the Supervisory Board of AS Ekspress Grupp Peeter Saks who was member of the Supervisory Board of AS Ekspress Grupp since 26 October 2016, resigned from the position of the member of the Supervisory Board and of AS Ekspress Grupp on 11 January 2021. The Supervisory Board of AS Ekspress Grupp will continue with four members: Priti Rohumaa (the Chairman), Hans H. Luik, Indrek Kasela and Aleksandras Česnavičius.

MANAGEMENT BOARD

The authorities of the Management Board of the Company are specified in the Commercial Code and they are limited to the extent determined in the articles of association of the company. The Management Board has to act in the most economically purposeful manner, taking into consideration the best interests of all shareholders and ensures the company's sustainable development in accordance with set objectives and strategy. To ensure that the company's interests are met in the best way possible, the Management and Supervisory Boards shall extensively collaborate.

The members of the Management Board are elected for a period of up to five years. In order to elect and remove the members of the Management Board, a simple majority of the votes of the Supervisory Board is required. In order to resign from the position of a member of the Management Board, the member shall give one month's notice to the Supervisory Board. There are no agreements between Ekspress Group and the members of the Management Board which would deal with the benefits regarding a takeover of a public limited company provided for in Chapter 19 of the Securities Market Act. According to the articles of association, the Management Board of Ekspress Group has between one and five members. The Management Board of Ekspress Group has three members.

Mari-Liis Rüütsalu (appointed until 31.12.2022)



- Chairman of the Management Board and Chief Executive Officer of the Group since 01.01.2017, since 01.01.2020 the mandate has been extended for the next three years.
- Managing director of AS Ekspress Meedia 2015-2016
- Managing director of AS Delfi 2012-2015
- Marketing and development director of AS Estravel 1998-2012
- Graduated from Eesti Majandusuhtide Instituut in 1998 specializing in business administration and University of Tartu Pärnu College in 1995 specializing in entrepreneurship and business management
- Number of shares of AS Ekspress Grupp: -.

Kaspar Hanni (appointed until 19.12.2023)



- Member of the Management Board since 18.12.2017, since 10.12.2020 the mandate has been extended for the next three years, Development Director of the Group
- Member of the board of the Estonian Business Angles Association since 2017
- Software Asset Management and Compliance Lead of Microsoft in Baltics 2015-2016
- Enterprise and Partner Group Lead of Microsoft in Baltics 2011-2015
- Graduated from Estonian Business School in 2002 with a degree in Business Administration and studied Information Technology at Tallinn University of Technology
- Number of shares of AS Ekspress Grupp: -.

Signe Kukin (appointed until 31.07.2021)



- Member of the Management Board since 01.08.2018, the term of office of up to 3 years, Chief Financial Officer of the Group
- Chief Financial Officer of AS Merko Ehitus 2012 - 2017
- In various positions of United Utilities International Ltd in Estonia, Great Britain and the Arab United Emirates 2001-2011
- 1997-2001 Deloitte, auditor
- Graduated from Tallinn University of Technology 1999 (diploma studies)
- Association of Chartered Certified Accountants - ACCA, Fellow Member - FCCA 2004
- Number of shares of AS Ekspress Grupp: -.

SUPERVISORY AND MANAGEMENT BOARDS OF SUBSIDIARIES

The authorities and responsibility of the subsidiaries of AS Ekspress Grupp are laid down in their articles of association and intra-group rules. The changes to the articles of association are made in accordance with the requirements laid down in the Commercial Code. The supervisory boards are generally made up of the members of the management and supervisory boards of a company that is the majority shareholder of the subsidiary.

The meetings of the supervisory boards of the key subsidiaries normally take place once a quarter, in other cases based on the Group's needs, articles of association and legal acts. The members of the supervisory boards of subsidiaries do not normally receive separate remuneration.

The chairman or a member of the Management Board is appointed by the supervisory board of the subsidiary. The supervisory and management boards of the AS Ekspress Group's wholly-owned subsidiaries as of 31 December 2020 is shown below:

COMPANY*	SUPERVISORY BOARD	MANAGEMENT BOARD
Printall AS (10 977 093)	Hans Luik (chairman), Kaspar Hanni, Signe Kukin, Mari-Liis Rüütsalu	Andrus Takkin (chairman), Evali Mülts, Tõnis Peebo
Ekspress Meedia AS (14 826 172)	Hans Luik (chairman), Mari-Liis Rüütsalu, Kaspar Hanni, Signe Kukin	Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Karin Vene
Delfi UAB (4 264 877)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Vytautas Benokraitis
SIA Biļešu Paradīze** (431 626)	Mari-Liis Rüütsalu (chairman), Signe Kukin, Konstantins Kuzikovs	Jānis Ķuzulis (chairman), Jānis Daube
Delfi A/S (Läti) (3 214 799)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Konstantins Kuzikovs (chairman), Ingus Bērziņš, Anatolijs Golubovs

* The amount of equity of the key subsidiary that is held by the owners of the parent company as of 31 December 2020 is shown in parentheses.

** No supervisory board based on articles of association, SIA Delfi Ticket Services management board executes the role.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

(EUR thousand)	31.12.2020	31.12.2019
ASSETS		
Current assets		
Cash and cash equivalents	6 269	3 647
Trade and other receivables	9 450	12 705
Corporate income tax prepayment	7	0
Inventories	2 756	3 120
Total current assets	18 482	19 472
Non-current assets		
Other receivables and investments	982	975
Deferred tax asset	30	38
Investments in joint ventures	1 661	1 254
Investments in associates	2 253	2 356
Property, plant and equipment (Note 4)	14 134	14 943
Intangible assets (Note 4)	56 635	56 369
Total non-current assets	75 696	75 935
TOTAL ASSETS	94 177	95 407
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	3 613	5 100
Trade and other payables	15 251	16 483
Corporate income tax payable	81	65
Total current liabilities	18 945	21 647
Non-current liabilities		
Long-term borrowings (Note 6)	18 589	19 242
Other long-term liabilities	2 025	2 895
Total non-current liabilities	20 613	22 137
TOTAL LIABILITIES	39 558	43 784
EQUITY		
Minority interest	126	100
Capital and reserves attributable to equity holders of parent company:		
Share capital (Note 10)	18 478	17 878
Share premium	14 277	14 277
Treasury shares (Note 10)	(209)	(22)
Reserves (Note 10)	1 758	1 688
Retained earnings	20 189	17 701
Total capital and reserves attributable to equity holders of parent company	54 493	51 522
TOTAL EQUITY	54 619	51 622
TOTAL LIABILITIES AND EQUITY	94 177	95 407

The Notes presented on pages 35-49 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q4 2020	Q4 2019	12 months 2020	12 months 2019
Sales	18 377	19 685	63 243	67 456
Cost of sales	(13 312)	(14 660)	(50 637)	(54 044)
Gross profit	5 065	5 025	12 607	13 412
Other income	784	157	2 040	607
Marketing expenses	(752)	(814)	(2 701)	(3 124)
Administrative expenses	(2 379)	(2 156)	(7 532)	(8 024)
Other expenses	(1 232)	(94)	(1 336)	(148)
Operating profit /(loss)	1 485	2 119	3 078	2 722
Interest income	9	4	28	22
Interest expenses	(219)	(229)	(877)	(784)
Other finance income/(costs)	675	(24)	614	(61)
Net finance cost	465	(249)	(235)	(823)
Profit/(loss) on shares of joint ventures	(5)	(22)	102	(38)
Profit/(loss) on shares of associates	(54)	(17)	(129)	(114)
Profit /(loss) before income tax	1 891	1 831	2 816	1 746
Income tax expense	(277)	(186)	(280)	(339)
Net profit /(loss) for the reporting period	1 614	1 645	2 536	1 407
Net profit /(loss) for the reporting period attributable to				
Equity holders of the parent company	1 603	1 637	2 510	1 394
Minority interest	11	8	26	13
Total comprehensive income /(loss)	1 614	1 645	2 536	1 407
Comprehensive income /(loss) for the reporting period attributable to				
Equity holders of the parent company	1 603	1 637	2 510	1 394
Minority interest	11	8	26	13
Basic earnings per share (Note 8)	0.05	0.05	0.08	0.05
Diluted earnings per share (Note 8)	0.05	0.05	0.08	0.05

The Notes presented on pages 35-49 form an integral part of the consolidated interim report.

Consolidated statement of changes in equity (unaudited)

(EUR thousand)	Attributable to equity holders of parent company						Minority interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total		
Balance on 31.12.2018	17 878	14 277	(22)	1 688	16 526	50 347	87	50 434
Adjustment on initial application of IFRS 16 (Note 2)	0	0	0	0	(219)	(219)	0	(219)
Restated balance on 01.01.2019	17 878	14 277	(22)	1 688	16 307	50 128	87	50 215
Net profit / (loss) for the reporting period	0	0	0	0	1 394	1 394	13	1 407
<i>Total comprehensive income / (loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1 394</i>	<i>1 394</i>	<i>13</i>	<i>1 407</i>
Balance on 31.12.2019	17 878	14 277	(22)	1 688	17 701	51 522	100	51 622
Increase of statutory reserve capital	0	0	0	70	(70)	0	0	0
Share capital issued	600	0	0	0	0	600	0	600
Purchase of treasury shares	0	0	(600)	0	0	(600)	0	(600)
Share options exercised	0	0	413	0	39	452	0	452
<i>Total transactions with owners</i>	<i>600</i>	<i>0</i>	<i>(187)</i>	<i>70</i>	<i>(31)</i>	<i>452</i>	<i>0</i>	<i>452</i>
Other changes	0	0	0	0	9	9	0	9
Net profit / (loss) for the reporting period	0	0	0	0	2 510	2 510	26	2 536
<i>Total comprehensive income / (loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2 510</i>	<i>2 510</i>	<i>26</i>	<i>2 536</i>
Balance on 31.12.2020	18 478	14 277	(209)	1 758	20 189	54 493	126	54 619

The Notes presented on pages 35-49 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	12 months 2020	12 months 2019
Cash flows from operating activities		
Operating profit for the reporting year	3 078	2 722
<u>Adjustments for:</u>		
Depreciation and amortisation (Note 4)	3 968	4 070
Gain from change in ownership interest in subsidiary	0	(31)
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	986	(4)
Cash flows from operating activities:		
Trade and other receivables	3 274	(2 929)
Inventories	375	262
Trade and other payables	(1 201)	3 594
Cash generated from operations	10 480	7 684
Income tax paid	(263)	(270)
Interest paid	(903)	(740)
Net cash generated from operating activities	9 314	6 675
Cash flows from investing activities		
Acquisition of subsidiaries/ associates (less cash acquired)	(342)	(6 648)
Purchase and receipts of other investments	16	9
Cash paid-in/ received from equity-accounted investees	(83)	(63)
Interest received	2	14
Dividends received	150	0
Purchase of property, plant and equipment and intangible assets (Note 4)	(2 562)	(2 775)
Proceeds from sale of property, plant and equipment and intangible assets	308	19
Loans granted	(331)	(118)
Loan repayments received	0	303
Net cash used in investing activities	(2 841)	(9 259)
Cash flows from financing activities		
Payment of lease liabilities	(949)	(978)
Change in overdraft	(1 018)	(265)
Notes issued (Note 6)	0	5 000
Loans received / Repayments of bank loans (Note 6)	(1 884)	1 207
Proceeds from share issuance	600	0
Purchases of treasury shares	(600)	0
Net cash used in financing activities	(3 851)	4 964
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	2 621	2 379
Cash and cash equivalents at the beginning of the year	3 647	1 268
Cash and cash equivalents at the end of the year	6 269	3 647

The Notes presented on pages 35-49 form an integral part of the consolidated interim report.

SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1. General information

The main fields of activity of AS Ekspress Grupp and its subsidiaries include online media, publishing of newspapers, magazines and books and provision of printing services. AS Ekspress Grupp (registration number 10004677, address: Parda 6, 10151 Tallinn) is a holding company registered and operating in the Republic of Estonia. The Group consists of the subsidiaries, joint ventures and associates listed below.

The Management Board approved and signed these financial statements on 18 February 2021. The interim consolidated financial statements of AS Ekspress Grupp (hereinafter the Group) reflect the results of operations of the following group companies.

Company name	Status	Ownership interest 31.12.2020	Ownership interest 31.12.2019	Main field of activity	Domicile
Operating segment: corporate functions					
Ekspress Grupp AS	Parent company			Holding company and support services	Estonia
Ekspress Finants OÜ	Subsidiary	100%	-	Financing and book-keeping services (established in March 2020 through a spin-off from AS Printall)	Estonia
Operating segment: media (online and print media)					
Ekspress Meedia AS	Subsidiary	100%	100%	Online media, publishing of daily and weekly newspapers	Estonia
Delfi A/S	Subsidiary	100%	100%	Online media	Latvia
D Screens SIA	Subsidiary	100%	100%	Sale of outdoor advertising	Latvia
Delfi Ticket Service SIA	Subsidiary	100%	100%	Holding company	Latvia
Delfi Tickets SIA	Subsidiary	-	100%	Holding company (merged with SIA Bilešu Paradīze in February 2020)	Latvia
Bilešu Paradīze SIA	Subsidiary	100%	100%	Operation of the electronic ticket platform and box offices	Latvia
Altero SIA	Associate	25.48%	25.48%	Financial comparison and brokerage platform	Latvia
Delfi UAB	Subsidiary	100%	100%	Online media	Lithuania
UAB Login Conferences	Subsidiary	-	100%	Organisation of technology and innovation conference (merged with Delfi UAB in May 2020)	Lithuania
Sport Media UAB	Subsidiary	51%	51%	Currently dormant	Lithuania
Hea Lugu OÜ	Subsidiary	83%	83%	Book publishing	Estonia
Eesti Audioraamatute Keskus OÜ	Associate	33.33%	-	Production and sale of audio books (established In March 2020)	Estonia
Adnet Media UAB	Subsidiary	100%	100%	Online advertising solutions and network	Lithuania
Adnet Media OÜ	Subsidiary	-	100%	Online advertising solutions and network. Dissolved on 27 February 2020.	Estonia
Adnet Media SIA	Subsidiary	100%	100%	Online advertising solutions and network	Latvia
Videotinklas UAB	Subsidiary	100%	100%	Production studio for content creation	Lithuania
Öhtuleht Kirjastus AS	Joint venture	50%	50%	Newspaper and magazine publishing	Estonia
Express Post AS	Joint venture	50%	50%	Home delivery of periodicals	Estonia
Linna Ekraanid OÜ	Subsidiary	100%	100%	Sale of digital outdoor advertising	Estonia
Centra Ekrani SIA	Subsidiary	100%	100%	Currently dormant	Latvia
Babahh Media OÜ	Associate	49%	49%	Sale of video production, media and infrastructure solutions	Estonia
Kinnisvarakeskkond OÜ	Associate	49%	49%	Development of a real estate portal	Estonia
Operating segment: printing services					
Printall AS	Subsidiary	100%	100%	Printing services	Estonia
Operating segment: entertainment					
Delfi Entertainment SIA	Subsidiary	-	100%	Dissolved on 28 February 2020	Latvia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 4th quarter and 12 months ended on 31 December 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements should be read together to the annual report for the financial year ended on 31 December 2019.

The Management Board estimates that the interim consolidated financial statements for the 4th quarter and 12 months present a true and fair view of the Group's operating results, and all group companies are going concerns. These interim financial statements have neither been audited nor reviewed in any other way by auditors. These consolidated interim financial statements are presented in thousands of euros, unless otherwise indicated.

The accounting policies used for preparation of these financial statements are the same as those used for preparation of the Group's consolidated annual report for the year ended 31 December 2019.

From 1 January 2019, the Group applied IFRS 16 "Leases" for the first time, using the modified retrospective method according to which the cumulative effect of the first-time application is recognised in retained earnings on 1 January 2019. The changes in lease accounting are described below.

Leases

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, and their difference was recognised in retained earnings.

(EUR thousand)	1. january 2019
Right-of-use assets	3 077
Lease liabilities	3 296
Retained earnings	(219)

When measuring the lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 2.15%.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into on or after 1 January 2019.

The Group as a lessee

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- the purchase price (when the purchase of the asset is sufficiently certain);
- amounts expected to be payable under a residual value guarantee;
- lease payments dependent on index or rate.

The lease liability is measured at amortised cost. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Corporate income tax and deferred income tax

Deferred income tax is recognised on all temporary differences arising between the carrying amounts and tax bases of the Group's assets and liabilities (the tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes).

Due to the nature of the taxation system, neither deferred income assets nor liabilities arise for the companies registered in Estonia, other than the potential income tax liability on their investments in subsidiaries, associates, and joint ventures.

The Group's deferred income tax liability arises in relation to the companies in the countries where the profit for the financial year is taxable.

The Group's deferred income tax liability also arises on investments in Estonian (and Latvian) subsidiaries, associates and joint ventures except where the timing of the reversal of taxable temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future. The examples of the reversal of taxable temporary differences are payment of dividends, sale or liquidation of an investment, and other transactions.

Since the Group controls the dividend policy of its subsidiaries, it is also able to control the timing of the reversal of temporary differences related to this investment. When the parent company has made a decision not to distribute the subsidiary's profit in the foreseeable future, it shall not recognise the deferred income tax liability. If the parent company expects to pay out dividends in the foreseeable future, the deferred income tax liability shall be measured to the extent of the planned dividend payment under the assumption that as of the reporting date there will be sufficient funds and equity available for the payment of dividends from which to distribute profits in the foreseeable future.

If necessary, the Group can block the profit allocation decisions of its joint ventures and therefore it can control the timing of the reversal of temporary differences related to this investment. When the parent company has decided not to distribute the joint venture's profit in the foreseeable future, it shall not recognise the deferred income tax liability. If the parent company expects to pay out dividends in the foreseeable future, the deferred income tax liability shall be measured to the extent of the planned dividend payment under the assumption that as of the reporting date there will be sufficient funds and equity for the payment of dividends from which to distribute profits in the foreseeable future.

Since the Group generally does not control the dividend policy of its associates, it does not control the timing of the reversal of taxable temporary differences. Thus, the Group recognises the deferred income tax liability related to its investment in the associate.

For measuring the deferred income tax liability, the Group uses the tax rates that are expected to be applied on the basis of the tax rates effective on the reporting date to taxable temporary differences in the period in which they are expected to reverse.

Previously, the Group used the accounting policy for recognition of the deferred income tax liability on investments in subsidiaries, associates and joint ventures, under which, the deferred income tax liability is always zero in countries where corporate income tax is payable on distributable profits (e.g. Estonia and Latvia) because according to paragraph 52A of IAS 12, the deferred income tax liability that arises on investments in such countries is measured at the tax rate of 0% that is applicable to retained earnings.

The maximum income tax liability that would arise in case all available equity is paid out as dividends is disclosed in Note 10 to the financial statements.

Note 3. Financial risk management

The management of financial risks is an essential and integral part in managing the business processes of the Group. The ability of the management to identify, measure and verify different risks has a substantial impact on the profitability of the Group. The risk is defined by the management of the Group as a possible negative deviation from the expected financial performance.

Several financial risks are related to the activities of the Group, of which the more substantial ones include credit risk, liquidity risk, market risk (including foreign exchange risk, interest rate risk and price risk), operational risk and capital risk.

The risk management of the Group is based on the requirements established by the Tallinn Stock Exchange, Financial Supervision Authority and other regulatory bodies, compliance with the generally accepted accounting standards and good practice, internal regulations and policies of the Group and its subsidiaries. The management of risks at the Group level includes the definition, measurement and control of risks. The Group's risk management programme focuses on unpredictability of financial markets and finding of possibilities to minimise the potential negative impacts arising from this on the Group's financial activities.

The main role upon the management of risks is vested in the management boards of the Parent and its subsidiaries. The Group assesses and limits risks through systematic risk management. For managing financial risks, the management of the Group has engaged the financial unit of the Group that deals with the financing of the Parent Company and its subsidiaries and hence also managing of liquidity risk and interest rate risk. The risk management at the joint ventures is performed in cooperation with the other shareholder of joint ventures.

Credit risk

Credit risk is expressed as a loss which may be incurred by the Group and is caused by the counterparty if the latter fails to perform its contractual financial obligations. Credit risk arises from cash and bank, trade receivables, other short-term receivables and loans granted.

The Group deposits its funds (incl. term deposits) in the following banks in the Baltic States:

Bank	Moody`s	Standard & Poor`s
SEB	Aa2	A+
Swedbank	Aa3	A+
Citadele	Baa3	-
Luminor/LHV	Baa1/Baa1	-/-

The banks' latest long-term credit rating shown on the bank's website is used.

The payment discipline of clients is continuously monitored to reduce credit risk. A credit policy has been established to ensure the sale or services to clients with an adequate credit history and the application of prepayments to clients in a higher risk category. According to the credit policy, different client groups are subject to different payment terms and credit limits. Clients are classified on the basis of their size, reputation, and the results of credit background checks and history of payment behaviour. At the first level, the advertising clients are divided into two groups: advertising agencies and direct clients, they are further grouped according to the above principles. The Group applies the same credit policy in all Baltic States, but is aware of different credit behaviour of clients. The largest subsidiaries outsource reminder services in order to collect overdue receivables more effectively.

In the case of new clients, their credit background is checked with the help of financial information databases such as Krediidiinfo and other similar databases. Upon following the payment discipline, it is possible to receive more flexible credit terms, such as longer payment terms, higher credit limits, etc. Upon violation of the payment discipline, stricter credit terms are applied. In case of large transactions, particularly in the segment of printing services, clients are requested to make prepayment or provide a guarantee letter.

The Group is not aware of any substantial risks related to the concentration of its clients and partners. The management estimates that there is no substantial credit risk in the loans to related parties due to their solid financial position.

Liquidity risk

Liquidity risk means that the Group may not have liquid funds to fulfil its financial obligations in a timely manner.

The objective of the Group is to maintain a balance between the financial need and financial possibilities of the Group. Cash flow planning is used as a means to manage the liquidity risk. To manage liquidity risk as effectively as possible, the bank accounts of the Parent Company and its subsidiaries comprise one group account (cash pool) which enables the members of the group account to use the finances of the Group within the limit established by the Parent Company. The group account operates in Estonia, but foreign subsidiaries in Latvia and Lithuania are also part thereof. According to the policy of the Group, all subsidiaries and joint ventures prepare long term cash flow projections for the following year, which are adjusted on a quarterly basis. For monitoring short-term cash flows the subsidiaries prepare thirteen week cash flow projections on a weekly basis.

To manage liquidity risk, the Group uses different financing sources which include bank loans, overdraft, factoring, continuous monitoring of trade receivables and delivery contracts.

Overdraft credit is used to finance working capital, long-term bank loans and finance lease agreements are used to make capital expenditures to acquire non-current assets. The Group's overdraft loan is long-term and related to the term of the loan contract. This essentially works as a long-term line of credit, the use of which the Group can regulate at its own discretion. The Group has quite high leverage, thus liquidity risk management is one of the priorities of the Group.

Interest rate risk

Interest rate risk means that a change in interest rates results in a change in the cash flow and profit of the Group. The interest rates of loans granted and taken by the Group are all tied to Euribor. The interest rate is fixed and the margin is zero.

The Group's interest rate risk is related to short-term and long-term borrowings which have been assumed with a floating interest rate. The interest rate risk is mainly related to the fluctuation of Euribor.

Type of interest	Interest rate	31.12.2020 (EUR thousand)	<= 1 year	>1 year and <=5 years	> 5 years	Carrying amount
Fixed and floating interest rate	0%+2.15%-3.90%	Loan	2 401	10 144	0	12 545
	6.00%	Notes	0	0	5 000	5 000
	6-kuu Euribor + 1.78-2.50%	Lease liability	1 212	3 445	0	4 657
	1-kuu Euribor + 1.9%	Overdraft	0	0	0	0

Type of interest	Interest rate	31.12.2019 (EUR thousand)	<= 1 year	>1 year and <=5 years	> 5 years	Carrying amount
Fixed and floating interest rate	0%+2.15%-3.90%	Loan	3 071	11 359	0	14 429
	6.00%	Notes	0	0	5 000	5 000
	6-kuu Euribor + 1.78-2.50%	Lease liability	1 011	2 884	0	3 894
	1-kuu Euribor + 1.9%	Overdraft	1 018	0	0	1 018

Foreign exchange risk

The Group's operating activities have an international dimension and therefore, the Group is to some extent exposed to foreign exchange risk. Foreign exchange risk arises when future business transactions or recognised assets or liabilities are fixed in a currency which is not the functional currency of the Group. Group companies are required to manage their foreign exchange risk with regard to the functional currency. The Group's income is primarily fixed in local currencies, i.e. the euros in Estonia, Latvia and Lithuania. The Group also pays most of its suppliers and employees in local currencies. The subsidiaries are typically required to use the euro as the currency in their foreign contracts. The subsidiary Printall exports outside of the euro-zone and it also issues invoices denominated in Norwegian kroner and Swedish kronor. In 2020, ca 1% (2019: ca 1%) of revenue was exposed to foreign exchange risk. The Russian clients pay also in Russian roubles, although the invoices issued have been denominated in euros and hence carry no exchange risk. The amounts received in foreign currencies are converted to euros immediately after their receipt in order to reduce open foreign currency positions. No other means are used for hedging foreign exchange risk.

As of 31 December 2020, the Group's foreign currency risk related to USD was EUR 87 thousand and to other currencies (SEK, GBP, NOK), EUR 32 thousand.

As of 31 December 2019, the Group's foreign currency risk related to USD was EUR 349 thousand and to other currencies (SEK, GBP, NOK), EUR 44 thousand.

Price risk

The price of paper affects the activities of the Group the most. By taking into consideration several criteria, the Group considers acceptance of paper price risk as the most optimal solution and does not consider it necessary to use derivative instruments to hedge this risk.

Operational risk

Operational risk is a possible loss caused by insufficient or non-functioning processes, employees and information systems or external factors.

The involvement of employees in the risk assessment process improves the general risk culture. For performing transactions different limits are used to minimise possible losses. The four-eye principle is in use, under which the confirmation of at least two employees independent of each other or that of a unit is necessary for the performance of a transaction or a procedure, reduces the possible occurrence of human errors and mistakes. The four-eye principle is also applied during negotiations related to purchase and sales as well as other transactions. Drafts of important agreements prepared by law offices are reviewed by the management and in-house lawyers. The management considers the legal protection of the Group to be good.

The management estimates that the dependence of the Group's activities on IT systems is higher than average and continuous investments are made to increase its security and reliability. The responsibility for managing operational risk lies with the Management Board of the Group and the management boards of the subsidiaries.

Capital risk

The main objective of the Group upon managing capital risk is to ensure the sustainability of the Group in order to ensure income for its shareholders and benefits for other stakeholders, while maintaining the optimal capital structure in order to reduce the price of capital.

According to the common industry practice, the Group uses the debt to capital ratio to monitor its capital. The debt to capital ratio is calculated as the ratio of net debt to total capital. Net debt is calculated by deducting cash and bank accounts from total debt (short and long-term interest bearing liabilities recognised in the consolidated balance sheet). Total capital is recognised as the aggregate of equity and net debt.

Equity ratios of the Group

(EUR thousand)	31.12.2020	31.12.2019
Interest-bearing debt	22 202	24 342
Cash and bank accounts	6 269	3 647
Net debt	15 933	20 695
Equity	54 619	51 622
Total capital	70 552	72 318
Debt to capital ratio	23%	29%
Total assets	94 177	95 407
Equity ratio	58%	54%

Note 4. Property, plant and equipment, and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	12 months 2020	12 months 2019	12 months 2020	12 months 2019
Balance at beginning of the period				
Cost	41 551	35 422	75 854	65 854
Accumulated depreciation and amortisation	(26 608)	(23 501)	(19 485)	(19 163)
Carrying amount	14 943	11 921	56 369	46 691
First-time adoption of IFRS 16 (Note 2)	0	3 077	0	0
Restated carrying amount	14 943	14 999	56 369	46 691
Acquisitions and improvements	2 972	2 261	1 319	1 157
Disposals (at carrying amount)	(141)	(22)	0	0
Write-down, write-off and impairment of non-current assets	(1 053)	(246)	(120)	0
Reclassification	11	(1)	0	1
Acquired through business combinations	0	812	457	9 730
Depreciation and amortisation	(2 577)	(2 859)	(1 391)	(1 211)
Balance at end of the period				
Cost	42 714	41 551	77 076	75 854
Accumulated depreciation and amortisation	(28 580)	(26 608)	(20 441)	(19 485)
Carrying amount	14 134	14 943	56 635	56 369

Note 5. Intangible assets

Intangible assets by type

(EUR thousand)	31.12.2020	31.12.2019
Goodwill	43 085	42 628
Trademarks	8 733	9 218
Other intangible assets	4 817	4 523
Total intangible assets	56 635	56 369

Note 6. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term		
		Up to 1 year	Between 1-5 years	More than 5 years
Balance as of 31.12.2020				
Overdraft	0	0	0	0
Long-term bank loans	12 545	2 401	10 144	0
Notes	5 000	0	0	5 000
Lease liability	4 657	1 212	3 445	0
Total	22 202	3 613	13 589	5 000
Balance as of 31.12.2019				
Overdraft	1 018	1 018	0	0
Long-term bank loans	14 429	3 071	11 359	0
Notes	5 000	0	0	5 000
Lease liability	3 894	1 011	2 884	0
Total	24 342	5 100	14 242	5 000

Due to the state of emergency related to COVID-19, the Group concluded an amendment to the loan agreement of AS SEB Pank and AS Printall, which suspended the principal repayments between March and August 2020 (the principal repayments of the loan for these periods will be paid at the end of the payment schedule together with the final payment). There was also an amendment to the loan agreement of AS Citadele banka and SIA Biļešu Paradīze, which suspended the principal repayments between June and November 2020 (the principal repayments of the loan for these periods will be divided equally between the remaining repayments) and one-off early repayment of EUR 0.35 million was carried out in December 2020 to cover the principle payments for the period of January-June 2021.

The group's loan from AS SEB Pank as at 31 December 2020 is in a amount EUR 10.5 million and unused overdraft facaility of EUR 3.0 million. Both facilities have a maturity date of 20 October 2021. The group is currently in a process of refinancing or extenting the facilities.

Note 7. Segment reporting

Operating segments have been specified by the management on the basis of the reports monitored by the Management Board of the Parent Company AS Ekspress Grupp. The Management Board considers the business from the company perspective.

Media segment: management of online news portals and classified portals, advertising sales in own portals in the Baltics and publishing of newspapers, magazines, customer and advertising fliers, publishing and publication of books as well as sale of digital outdoor advertising in Estonia and Latvia. The media segment also includes organisation of the technology and innovation conference *Login* in Lithuania and operation of the electronic ticket sales platform (bilesuparadize.lv) and box offices in Latvia, and production studio for content creation in Lithuania.

This segment includes subsidiaries Ekspress Meedia AS (Estonia), AS Delfi (Latvia), UAB Delfi (Lithuania), OÜ Hea Lugu (Estonia), D Screens SIA (Latvia), Adnet Media (Lithuania, Estonia, Latvia) and Linna Ekraanid OÜ (Estonia - 100% ownership since March 2019), UAB Login Conferences (Lithuania - from March 2019; from May 2020 merged with Delfi UAB), SIA Bilešu Paradīze (Latvia - from June 2019) and Videotinklas UAB (Lithuania - 100% ownership since August 2019).

The revenue of the **media segment** is derived from sale of advertising banners and other advertising space and products in its own portals, sale of advertising space in newspapers and magazines, revenue from subscriptions and single copy sales of newspapers and magazines, sale of books and miscellaneous book series, services fees for preparation of customer fliers and other projects as well as sale of digital outdoor advertising in Estonia, Latvia and Lithuania.

Printing services: rendering of printing and related services. This segment includes the group company AS Printall. The printing house is able to print high-quality magazines, newspapers, advertising materials, product and service catalogues, yearbooks, paperback books and other publications in our printing plant.

Segment revenue is derived from the sale of paper and printing services.

The **Group's corporate functions** are shown separately and they do not form a separate business segment. It includes the Parent Company AS Ekspress Grupp, which provides legal advisory and IT services to its group companies and Ekspress Finants OÜ, which provides accounting services to group companies.

The Management Board assesses the performance of the operating segments based on revenue, EBITDA and the EBITDA margin. Volume-based and other fees payable to advertising agencies have not been deducted from the advertising sales of segments, because the Group's management monitors the gross income of companies and segments. Discounts and volume rebates are reported as a reduction of the consolidated sales revenue and are shown in the aggregate line of eliminations. Internal management fees and goodwill impairment are not included in segment results.

According to the estimate of the Parent Company's management, the inter-segment transactions have been carried out on an arm's length basis and they do not differ significantly from the conditions of the transactions concluded with third parties.

Q4 2020 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations*	Total Group
Sales to external customers (subsidiaries)	13 044	4 972	361	0	18 377
Inter-segment sales	17	698	671	(1 387)	0
Total segment sales	13 061	5 670	1 032	(1 387)	18 377
EBITDA (subsidiaries)	3 110	790	(394)	(1 058)	2 448
EBITDA margin (subsidiaries)	24%	16%			13%
Depreciation (subsidiaries) (Note 4)					994
Operating profit /(loss) (subsidiaries)					1 485
Investments (subsidiaries) (Note 4)					1 578

12 months 2020 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations*	Total Group
Sales to external customers (subsidiaries)	43 664	18 913	666	0	63 243
Inter-segment sales	64	2 472	2 094	(4 629)	0
Total segment sales	43 728	21 384	2 761	(4 629)	63 243
EBITDA (subsidiaries)	6 601	2 224	(720)	(1 101)	7 004
EBITDA margin (subsidiaries)	15%	12%			11%
Depreciation (subsidiaries) (Note 4)					3 968
Operating profit /(loss) (subsidiaries)					3 078
Investments (subsidiaries) (Note 4)					4 292

* Due to continuing impact of COVID-19 on economical situation the group has recognised an impairment loss for property, plant and equipment in amount of EUR 1.0 million in the 4th quarter 2020.

Q4 2019 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	13 439	6 165	81	0	19 685
Inter-segment sales	2	741	437	(1 180)	0
Total segment sales	13 441	6 906	518	(1 180)	19 685
EBITDA (subsidiaries)	2 978	567	(296)	(52)	3 196
EBITDA margin (subsidiaries)	22%	9%			16%
Depreciation (subsidiaries) (Note 4)					1 082
Operating profit /(loss) (subsidiaries)					2 119
Investments (subsidiaries) (Note 4)					664

12 months 2019 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	44 212	22 911	333	0	67 456
Inter-segment sales	6	2 784	1 743	(4 533)	0
Total segment sales	44 218	25 695	2 076	(4 533)	67 456
EBITDA (subsidiaries)	5 966	2 032	(1 150)	(75)	6 772
EBITDA margin (subsidiaries)	13%	9%			10%
Depreciation (subsidiaries) (Note 4)					4 069
Operating profit /(loss) (subsidiaries)					2 722
Investments (subsidiaries) (Note 4)					3 418

Note 8. Earnings per share

Basic earnings per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period. Treasury shares owned by the Parent Company are not taken into account as shares outstanding.

Diluted earnings per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period, taking into account the number of shares potentially issued. Treasury shares owned by the Parent Company are not taken into account as shares outstanding.

EUR	Q4 2020	Q4 2019	12 months 2020	12 months 2019
Profit attributable to equity holders	1 603 398	1 636 971	2 509 578	1 393 769
Average number of ordinary shares 31.12	29 865 027	29 779 314	29 800 859	29 779 314
Number of ordinary shares potentially issued 31.12	1 180 345	0	1 180 345	0
Basic earnings per share	0.05	0.05	0.08	0.05
Diluted earnings per share	0.05	0.05	0.08	0.05

Note 9. Share option plan

In June 2017, the General Meeting of Shareholders approved the share option plan for key employees.

In December 2020, within the framework of the share option plan the option owners were transferred 676 thousand shares. As a result, the balance of treasury shares decreased by EUR 413 thousand, of which EUR 452 thousand was covered from the option liability and the retained earnings were increased by EUR 39 thousand.

By 31 December 2020, 450 thousand options were outstanding (as of 31.12.2019: 1 009 thousand options issued), each of which grants the right to receive one share of the company free of charge. As a rule, 1/3 of the options can be earned in each calendar year. Equity options were exercisable from December 2020.

Equity options are cash-settled share-based payments. When entering into contracts, options were accounted for at their fair value and reported on the one hand in the profit or loss statement as labour costs and, on the other hand, as a liability. As of 31 December 2020, the remaining liability of the mentioned stock option amounted to EUR 289 thousand (31.12.2019: EUR 685 thousand).

The fair value of the equity option is found by using the Black-Scholes-Merton model. Assumptions used in the model: the price of the share upon issue of the option: EUR 0.67-1.35, dividend rate: EUR 0.00-0.07 per share, risk-free interest rate: 0.01%, option term: 3 years, standard deviation: 2.20%.

In order to meet the obligations related to the options, the company issued 1.0 million new shares with a nominal value of 0.6 euros per share (Note 10). Key employees have the right to sell the received shares back to the company within one month after the exercise of the options and the company is required to repurchase these shares. Shares are redeemed based on their current market value. By 18th February 2021 the company has bought back 466 thousand shares.

In September 2020, the General Meeting of Shareholders approved a new share option plan for the management of AS Ekspress Grupp and its group companies for the period 2021-2023. As of 31.12.2020 total amount of share options granted was 1 180 thousand, each giving a right to acquire one share for the nominal value of the shares at the time of the issue of the options. The exercise of the options and issue of the shares shall be performed by means of an increase of the share capital of AS Ekspress Grupp and issue of new shares.

Note 10. Equity and dividends

Share capital and share premium

The supervisory board of AS Ekspress Grupp has in accordance with clause 5.9 of the articles of association and the resolutions of the general meeting of shareholders from 29.09.2020 decided on 2 November 2020 to increase the share capital of the company by EUR 600 000 for the realisation of the option programme from EUR 17 878 105 to EUR 18 478 105, by issuing 1 000 000 new common shares with the nominal value of EUR 0.6 per share.

The increase of the share capital and issue of new shares was directed to the organiser of the option programme, i.e. AS LHV Pank, who has subscribed for all 1 000 000 issued shares. The share capital increase has been entered in the Commercial Register on 19.11.2020.

As of 31 December 2020, the company's share capital is EUR 18 478 105 (31.12.2019: EUR 17 878 105), which is divided into 30 796 841 (31.12.2019: 29 796 841) shares with the nominal value of 0.6 euros per share.

The maximum amount of share capital as stipulated by the articles of association is EUR 25 564 656.

Treasury shares

On 25 November 2020 the transactions deriving from the service performance agreement signed between AS Ekspress Grupp and arranger of the option programme, AS LHV Pank were performed, whereby AS Ekspress Grupp acquired 1 000 000 shares issued under the option programme for the implementation of the option programme. As of 25 November 2020, AS Ekspress Grupp owned 1 017 527 own shares in the value of EUR 622 thousand.

In December 2020, within the framework of the share option plan the option owners were transferred 676 106 shares. As a result, the balance of treasury shares decreased by EUR 413 thousand, of which EUR 452 thousand was covered from the option liability and the retained earnings were increased by EUR 39 thousand.

As of 31 December 2020, the Company had 341 421 treasury shares (31.12.2019: 17 527) in the total amount of EUR 209 thousand (31.12.2019: EUR 22 thousand) to be used for the current share option plan.

In January 2021, within the framework of the share option plan the option owners were transferred 73 080 shares.

By 18th February 2021 the company has bought back 466 109 shares. As of 18 February 2021, the company had 734 450 treasury shares in the total amount of EUR 532 thousand.

Dividends

In June 2020, due to the company's liquidity position, the Annual General Meeting of Shareholders decided not to pay dividends in 2020. As of 31 December 2020, it is possible to distribute dividends without income tax payment in the total amount of EUR 25.7 million.

Reserves

The reserves include statutory reserve capital required by the Commercial Code and a general-purpose equity contribution by a founding shareholder.

(EUR thousand)	EUR	
	31.12.2020	31.12.2019
Statutory reserve capital	1 119	1 049
Additional cash contribution from shareholder	639	639
Total reserves	1 758	1 688

Note 11. Related party transactions

Transactions with related parties are transactions with shareholders, associates, joint ventures, members of the Key Management of all group companies, their immediate family members and the companies under their control or significant influence.

The ultimate controlling individual of AS Ekspress Grupp is Hans H. Luik.

The Group has purchased from (goods for resale, manufacturing materials, non-current assets) and sold its goods and services to (lease of non-current assets, management services, other services) to the following related parties.

SALES (EUR thousand)	12 months 2020	12 months 2019
Sales of goods		
Members of Supervisory Board and companies related to them	0	3
Members of Management Board and companies related to them	0	1
Total sale of goods	0	4
Sale of services		
Members of Supervisory Board and companies related to them	5	86
Members of Management Board and companies related to them	0	1

AS Ekspress Grupp
 Consolidated Interim Report for the Fourth Quarter and 12 Months of 2020

SALES (EUR thousand)	12 months 2020	12 months 2019
Associates	161	156
Joint ventures	1 594	1 449
Total sale of services	1 760	1 691
Total sales	1 760	1 694

PURCHASES (EUR thousand)	12 months 2020	12 months 2019
Purchase of services		
Members of Supervisory Board and companies related to them	407	557
Members of Management Board and companies related to them	22	20
Associates	28	80
Joint ventures	1 334	1 304
Total purchases of services	1 791	1 961

RECEIVABLES (EUR thousand)	31.12.2020	31.12.2019
Short-term receivables		
Members of Supervisory Board and companies related to them	0	9
Members of Management Board and companies related to them	1	0
Associates	83	67
Joint ventures	218	107
Total short-term receivables	302	183
Long-term receivables		
Associates	103	115
Total long-term receivables	103	115
Total receivables	405	297

LIABILITIES (EUR thousand)	31.12.2020	31.12.2019
Current liabilities		
Members of Supervisory Board and companies related to them	8	10
Members of Management Board and companies related to them	1	2
Joint ventures	197	116
Total liabilities	206	128

According to the decision of the General Meeting held on 2 June 2009 and 4 May 2012, Hans H. Luik will be paid a guarantee fee of 1.5% per annum on the guarantee amount for the personal guarantee of EUR 4 million on the loan and overdraft agreements until the guarantee expires. During the 12 months of 2020, a payment of EUR 56 thousand (12 months 2019: EUR 60 thousand) was paid for the personal guarantee and there are no outstanding liabilities as of 31 December 2020 and 31 December 2019.

Remuneration of members of the Management Boards of the consolidation group

(EUR thousand)	12 months 2020	12 months 2019
Salaries and other benefits (without social tax)	2 223	2 089
Termination benefits (without social tax)	0	16
Share option	46	82
Total (without social tax)	2 269	2 187

The members of all management boards of the group companies (incl. key management of foreign subsidiaries if these companies do not have management board as per Estonian Commercial Code) (hereinafter Key Management) are entitled to receive compensation upon expiry or termination of their contracts in accordance with the terms laid down in their employment contracts. The Key Management terminations benefits are payable only in case the termination of contracts is originated by the company. If a member of the Key Management is recalled without a substantial reason, a notice thereof shall be given up to 3 months in advance and the member shall be paid compensation for termination of the contract in the amount of up to 8 months' salary. Upon termination of an employment relationship, no compensation shall be usually paid if a member of the Key Management leaves at his or her initiative or if a member of the Key Management is removed by the Supervisory Board with a valid reason. As of 31 December 2020, the maximum gross amount of potential Key Management termination benefits was EUR 759 thousand (31.12.2019: EUR 699 thousand). No remuneration is paid separately or in addition to the members of the Supervisory Boards of the Group companies and no compensation is paid if they are recalled.

Note 12. Contingent assets and liabilities

On 28 April 2020, Harju County Court forwarded a statement of claim of AS MM Grupp to AS Ekspress Meedia, in which AS MM Grupp demands EUR 2.0 million from AS Ekspress Meedia for compensation of non-patrimonial or alternatively future patrimonial damages caused by the publication of allegedly false factual allegations. AS Ekspress Meedia considers the claim to be without perspective.