

JANUARY - JUNE 2021 | Unaudited



EKSPRESS GRUPP



Consolidated interim report for the second
quarter and first half-year of 2021

TABLE OF CONTENTS

| | |
|---|----|
| MANAGEMENT REPORT..... | 3 |
| CONSOLIDATED INTERIM FINANCIAL STATEMENTS | 18 |
| Management Board's confirmation of the Group's interim financial statements | 31 |
| BRIEF OVERVIEW OF THE GROUP..... | 32 |

MANAGEMENT REPORT

MANAGEMENT'S COMMENTS

In the 2nd quarter of 2021, the revenue of AS Ekspress Grupp totalled EUR 17.9 million and the revenue for the first six months of the year totalled EUR 33.2 million. The Group's net profit for the 2nd quarter of 2021 was EUR 1.25 million and the net profit for the first 6 months of the year was EUR 0.98 million. At the end of June, the share of the Group's digital revenue was 53% of total revenue and 75% of media segment revenue.

In the 2nd quarter of 2021, the consolidated revenue totalled EUR 17.9 million (2nd quarter 2020: EUR 13.9 million), increasing by 28%. The revenue growth is attributable to the online advertising market which has recovered well and has gained momentum on account of other types of media, demonstrating good growth in all Baltic States. Print advertising revenue continues to be under pressure and it has still not regained its pre-pandemic level. The consolidated revenue for the first six months of 2021 was EUR 33.2 million, increasing by 12% year-over-year.

The number of the digital subscriptions of AS Ekspress Grupp increased by 76% by the end of June 2021 as compared to the same period last year and was more than 110 thousand subscriptions. The addition of digital subscribers will have a positive impact on the results of operations of Ekspress Grupp and is a proof of the viability of its long-term strategic direction.

**110k digital
subscriptions
(+76%)**

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 2.67 million in the 2nd quarter which on EUR 1.01 million or 61% higher as compared to the 2nd quarter of 2020. Strong sales of online advertising and digital subscriptions in all Baltic States and continued cost reduction have helped improve profitability. The effects of the ongoing pandemic in the 2nd quarter have not turned out to be of the same magnitude as in the 2nd quarter of 2020 when advertising sales received a major setback. Upon enforcement of national restrictions, the economy did not suffer similarly to 2020 but the restrictions enforced due to the pandemic still had an effect on outdoor advertising and ticket sales companies in the 2nd quarter of 2021. The advertising customers have adapted to the circumstances and the growth of the advertising business in all countries

**Q2 EBITDA
2.67 mln €
(+61%)**

demonstrates that the majority of companies have been able to digitalise their business more; they have opened or adapted their ways of trading to e-channels and the need to advertise has recovered. Considering the availability of vaccines and the desire of people to move around and attend events, we are more optimistic about the recovery of the outdoor advertising and ticket sales business.

In the 2nd quarter, the consolidated net profit totalled EUR 1.25 million which is 114% more than in the same period in 2020. The net profit for the first six months totalled EUR 0.98 million which is EUR 1.14 million higher than in the same period last year.

A key event for the Group in the 2nd quarter was the receiving of the purchase offer for AS Printall from the company Trükitung OÜ, which is owned by Group's majority shareholder Hans Luik. Since the end of last year, the Group had considered various strategic alternatives for the printing services segment, including the sale of printing services, sale and leaseback of real estate properties and potential mergers. In July 2021, the shareholders approved this transaction and authorised the Management Board of AS Ekspress Grupp to complete the transaction which is planned to be finalised during the 3rd quarter. The outcome of the transaction will be the Group's exit from the business with significant CAPEX requirements that is not in line with the Group's strategy. Availability of new capital will provide additional capacity for the Group to fund the digital area.

In the 2nd quarter, the group company D Screens won a tender in Latvia relating to the right to lease the real estate properties in the ownership of the City of Riga. The lease agreement covers 91 advertising spaces owned by the City of Riga in excellent locations, the majority of which will be digitalised by the company. The investments in digital outdoor screens that are related to the new region will be completed at the end of 2022. The agreement will increase the network of the Group's digital screens, which covers the key roads of the City of Riga, more than 100 properties.

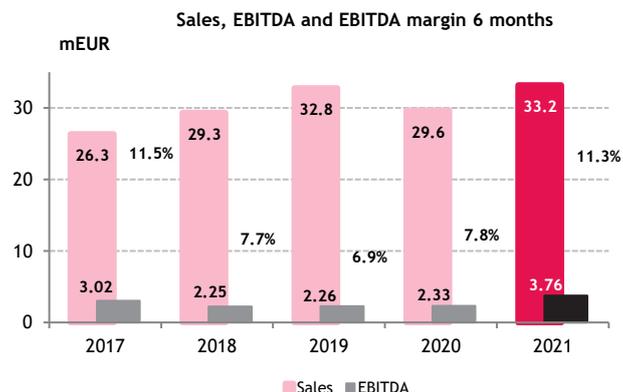
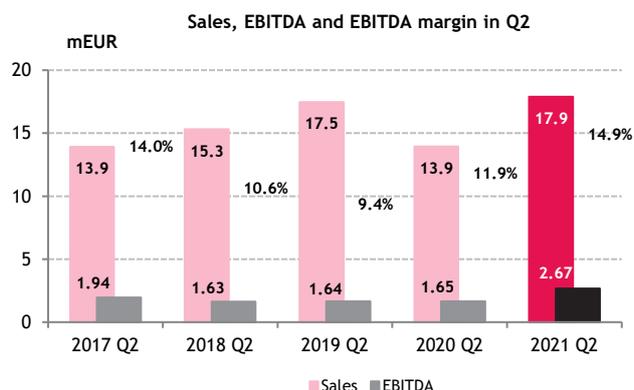
The new Estonian ticket sales platform [Piletitasku](#) that had been launched at the beginning of the 2nd quarter gained momentum once the state of emergency was lifted and it has been well received by the event organisers and ticket buyers. We offer a fresh and convenient buying experience for ticket buyers and technologically a new level for

organisers. We strive to make the entry and management of events and monitoring of reports and data as comprehensive as possible. The ticket sales platform is a good example of a digital business with a clear synergy with digital media that fits the strategy of the Group's current complementing digital businesses.

Despite the pandemic, a conference [Login](#) on the topic of digital development was organised in Lithuania which lasted for 5 days and was available as a streaming in all the largest media portals of Lithuania. The interest of both participants and advertising customers was high. The largest digital conference of Lithuania acquired in 2019 is performing in line with the set goals.

As at 30 June 2021, the Group's available cash is in the amount of EUR 4.2 million (30 June 2020: EUR 6.3 million). The Group's liquidity is good, but in order to strengthen the Group's liquidity position and flexibility as well as to increase the working capital, the Group signed amendments to the loan agreements with AS SEB Pank in July 2021. The maturity dates of loans were extended by 5 years and monthly payments were reduced from EUR 0.2 million to EUR 0.06 million per month. As a result of the amendments, Ekspress Grupp will have another EUR 1.7 million available to strengthen the Group's current key activities and increase investments in its digital businesses.

Q2 AND 6 MONTHS RESULTS



REVENUE

The consolidated revenue for the 2nd quarter of 2021 totalled EUR 17.9 million (2nd quarter 2020: EUR 13.9 million). Revenue increased by 28% year-over-year in the 2nd quarter. Advertising revenue has demonstrated a strong recovery. The consolidated revenue for the first six months of 2021 totalled EUR 33.2 million (first six months of 2020: EUR 29.6 million). At the end of 2nd quarter of 2021, the share of the Group's digital revenue accounted for 53% of total revenue and 75% of media segment revenue (at the end of 2nd quarter 2020: 46% of total revenue and 68% media segment revenue, respectively). Digital revenue increased by 30% as compared to the same period last year.

PROFITABILITY

In the 2nd quarter of 2021, the consolidated EBITDA totalled EUR 2.67 million (2nd quarter 2020: EUR 1.65 million). In the 2nd quarter of 2021, EBITDA increased by 61% as compared to the previous year and the EBITDA margin was 14.9% (2nd quarter 2020: 11.9%). Strong sales of online advertising, digital subscriptions and tight cost controls in all Baltic States have helped to improve profitability. The consolidated EBITDA for the first six months of 2021 totalled EUR 3.76 million (first six months of 2020: EUR 2.33 million).

In the 2nd quarter of 2021, the consolidated net profit totalled EUR 1.25 million (2nd quarter 2020: EUR 0.58 million), which is EUR 0.67 million and 114% better as compared to 2020. The consolidated net profit for the first six months of 2021 totalled EUR 0.98 million (first six months of 2020 net loss: EUR -0.16 million), which is EUR 1.14 million and 714% better as compared to 2020.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 4.2 million and equity in the amount of EUR 55.4 million (59% of total assets). The comparable data as of 30 June 2020 were EUR 6.3 million and EUR 51.5 million (54% of total assets), respectively. As of 30 June 2021, the Group's net debt was EUR 17.9 million (30 June 2020: EUR 16.3 million).

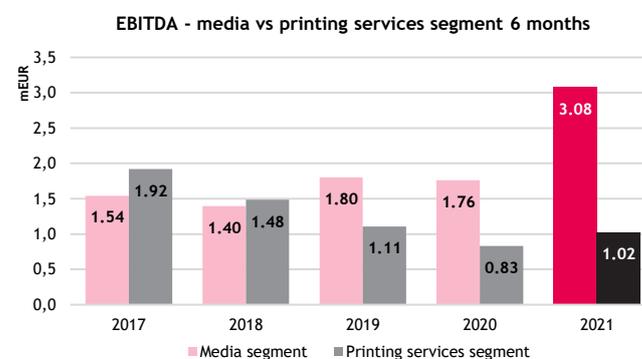
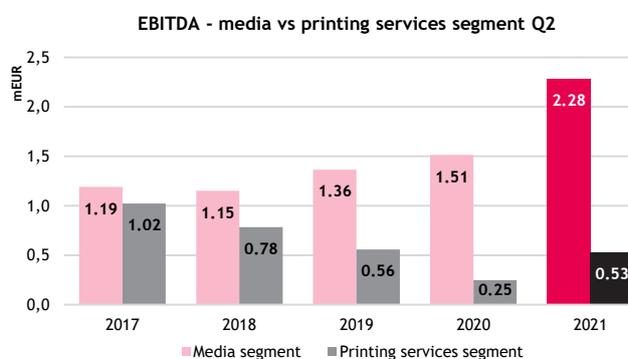
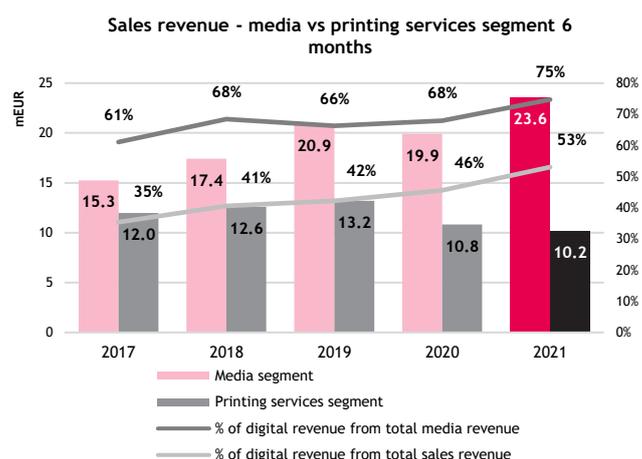
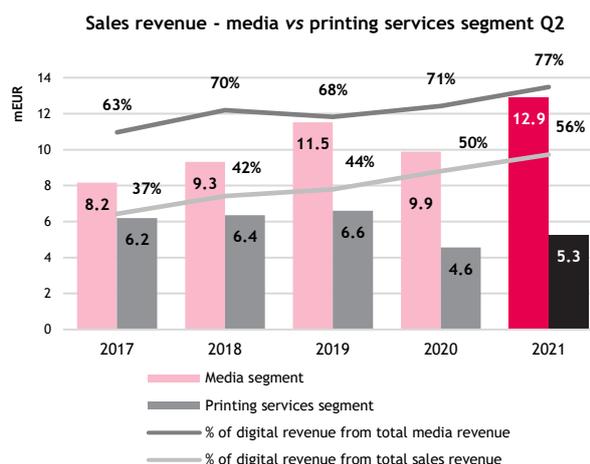
The cash position in 2020 was impacted by the agreements concluded with the banks due to the COVID-19 related state of emergency. An agreement was concluded with AS SEB Pank to suspend loan payments in the period March-August 2020 (EUR 1.2 million) and with AS Citadele banka in the period of June-November 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 last year.

FINANCIAL INDICATORS AND RATIOS

| Performance indicators (EUR thousand) | Q2 2021 | Q2 2020 | Change % | 6M 2021 | 6M 2021 | Change % | 12 months 2020 |
|---|--------------|--------------|-------------|--------------|--------------|-------------|----------------------|
| For the period | | | | | | | |
| Sales revenue | 17 890 | 13 944 | 28% | 33 181 | 29 646 | 12% | 63 243 |
| EBITDA | 2 666 | 1 654 | 61% | 3 755 | 2 325 | 61% | 7 004 |
| EBITDA marginal (%) | 14.9% | 11.9% | | 11.3% | 7.8% | | 11.1% |
| Operating profit /(loss) | 1 521 | 678 | 124% | 1 524 | 319 | 378% | 3 078 |
| <i>Operating margin (%)</i> | <i>8.5%</i> | <i>4.9%</i> | | <i>4.6%</i> | <i>1.1%</i> | | <i>4.9%</i> |
| Interest expenses | (202) | (217) | 7% | (412) | (441) | 7% | (877) |
| Profit /(loss) of joint ventures under the equity method | (63) | 135 | -147% | (170) | 8 | -2243% | 102 |
| Net profit /(loss) for the period | 1 247 | 582 | 114% | 982 | (160) | 714% | 2 536 |
| Net margin (%) | 7.0% | 4.2% | | 3.0% | -0.5% | | 4.0% |
| <i>Return on assets (ROA) (%)</i> | <i>3.9%</i> | <i>1.6%</i> | | <i>3.9%</i> | <i>1.6%</i> | | <i>2.7%</i> |
| <i>Return on equity (ROE) (%)</i> | <i>6.8%</i> | <i>3.0%</i> | | <i>6.8%</i> | <i>3.0%</i> | | <i>4.9%</i> |
| Basic earnings per share | 0.04 | 0.02 | | 0.03 | (0.01) | | 0.08 |
| Diluted earnings per share | 0.04 | 0.02 | | 0.03 | (0.01) | | 0.08 |

| Balance sheet (EUR thousand) | 30.06.2021 | 31.12.2020 | Change % |
|--|---------------|---------------|-------------|
| As of the end of the period | | | |
| Current assets | 18 325 | 18 482 | -1% |
| Non-current assets | 75 992 | 75 696 | 0% |
| Total assets | 94 316 | 94 177 | 0% |
| <i>incl. cash and cash equivalents</i> | <i>4 207</i> | <i>6 269</i> | <i>-33%</i> |
| <i>incl. goodwill</i> | <i>43 085</i> | <i>43 085</i> | <i>0%</i> |
| Current liabilities | 18 196 | 18 945 | -4% |
| Non-current liabilities | 20 692 | 20 613 | 0% |
| Total liabilities | 38 888 | 39 558 | -2% |
| <i>incl. borrowings</i> | <i>22 073</i> | <i>22 202</i> | <i>-1%</i> |
| Equity | 55 428 | 54 619 | 1% |
| Net debt | 17 866 | 15 933 | 12% |
| Total capital | 73 295 | 70 552 | 4% |

| Financial ratios (%) | 30.06.2021 | 31.12.2020 | Change % |
|---------------------------|------------|------------|----------|
| Equity ratio (%) | 59% | 58% | 1% |
| Debt to equity ratio (%) | 40% | 41% | -2% |
| Debt to capital ratio (%) | 24% | 23% | 8% |
| Total debt/EBITDA ratio | 2.62 | 3.17 | -17% |
| Liquidity ratio | 1.01 | 0.98 | 3% |



SEGMENT OVERVIEW

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

Key financial indicators for segments

| (EUR thousand) | Sales | | | | | | |
|---|---------------|---------------|------------|---------------|---------------|------------|----------------|
| | Q2 2021 | Q2 2020 | Change % | 6M 2021 | 6M 2020 | Change % | 12 months 2020 |
| Media segment | 12 904 | 9 891 | 30% | 23 560 | 19 917 | 18% | 43 728 |
| <i>incl. revenue from all digital and online channels</i> | 9 939 | 7 021 | 42% | 17 603 | 13 526 | 30% | 30 963 |
| <i>% of revenue from all digital and online channels</i> | 77% | 71% | | 75% | 68% | | 71% |
| Printing services segment | 5 255 | 4 569 | 15% | 10 163 | 10 813 | -6% | 21 384 |
| Corporate functions | 1 054 | 520 | 103% | 2 106 | 1 035 | 103% | 2 761 |
| Inter-segment eliminations | (1 322) | (1 037) | | (2 648) | (2 118) | | (4 629) |
| TOTAL GROUP | 17 890 | 13 944 | 28% | 33 181 | 29 646 | 12% | 63 243 |
| <i>% of revenue from all digital and online channels</i> | 56% | 50% | | 53% | 46% | | 49% |

| (EUR thousand) | EBITDA | | | | | | |
|-----------------------------|--------------|--------------|------------|--------------|--------------|------------|----------------|
| | Q2 2021 | Q2 2020 | Change % | 6M 2021 | 6M 2020 | Change % | 12 months 2020 |
| Media segment | 2 281 | 1 514 | 51% | 3 076 | 1 762 | 75% | 6 601 |
| Printing services segment | 529 | 248 | 113% | 1 022 | 831 | 23% | 2 224 |
| Corporate functions | (111) | (92) | -20% | (289) | (236) | -23% | (720) |
| Inter-segment eliminations* | (34) | (16) | | (53) | (33) | | (1 101) |
| TOTAL GROUP | 2 666 | 1 654 | 61% | 3 755 | 2 325 | 62% | 7 004 |

* 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 | Q2 2021 | Q2 2020 | 6M 2021 | 6M 2020 | 12 months 2020 |
|---------------------------|------------|------------|------------|-----------|----------------|
| Media segment | 18% | 15% | 13% | 9% | 15% |
| Printing services segment | 10% | 5% | 10% | 8% | 10% |
| TOTAL GROUP | 15% | 12% | 11% | 8% | 11% |

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 /trailing twelve months EBITDA |
| Debt-Service Coverage Ratio (DSCR) | EBITDA/(interest payments + principal repayments) |
| Liquidity ratio | Current assets / current liabilities |
| Return on assets ROA (%) | Trailing twelve months net profit /average assets x 100 |
| Return on equity ROE (%) | Trailing twelve months net profit /average equity x 100 |

MEDIA SEGMENT

In the 2nd quarter of 2021, media segment revenue totalled EUR 12.9 million (2nd quarter 2020: EUR 9.9 million) and in the first six months of 2021, the revenue totalled EUR 23.6 million (first six months of 2020: EUR 19.9 million). Revenue increased by 30% as compared to the 2nd quarter of last year. Advertising revenue has demonstrated a strong recovery, specifically in online media where the levels are exceptionally high even compared to pre-covid times. Advertising in paper media is still suffering and has not reached the 2019 levels yet and will remain challenging in the coming months. Advertising market as such has not grown in the Baltics, however the digital channels have gained momentum at the expense of other advertising channels which we believe is continuing future trend.

The state of emergency related to COVID-19 has had the most profound impact on the Latvian ticket sales platform. In the 4th quarter of 2020, a state of emergency was imposed and all events were cancelled. The state of emergency in Latvia lasted until 4 April 2021 but strong restrictions remained in place till middle of June 2021. Starting from April the Group has launched the ticket sales platform [Piletitasku](#) in Estonia. With the expansion of the ticket sales business into Estonia, the Group will continue its current strategy, the purpose of which is to increase the share of digital revenue and identify synergies between new business lines and existing media activities. We wish to provide the most convenient platform both for ticket buyers as well as event organisers. Around Latvia and Estonia, people are showing the need to get out and socialize again which reinforces our expectation that a return to events will be the logical progression unless new restrictions will be put in place from autumn due to Delta wave.

In April, the Latvian outdoor media company SIA D Screens won the public tender granting it the right to rent the real estate properties owned by the City of Riga. D Screens will continue development of the outdoor screen network in Riga. The contract enables the company to expand its network to more than 100 screens and participate in the market with both large and small screen networks that cover the most important roads in Riga. New screens will be installed by end of 2022.

At the end of the 2nd quarter of 2021, the Group's digital revenue accounted for 53% of total revenue and 75% of media segment revenue.

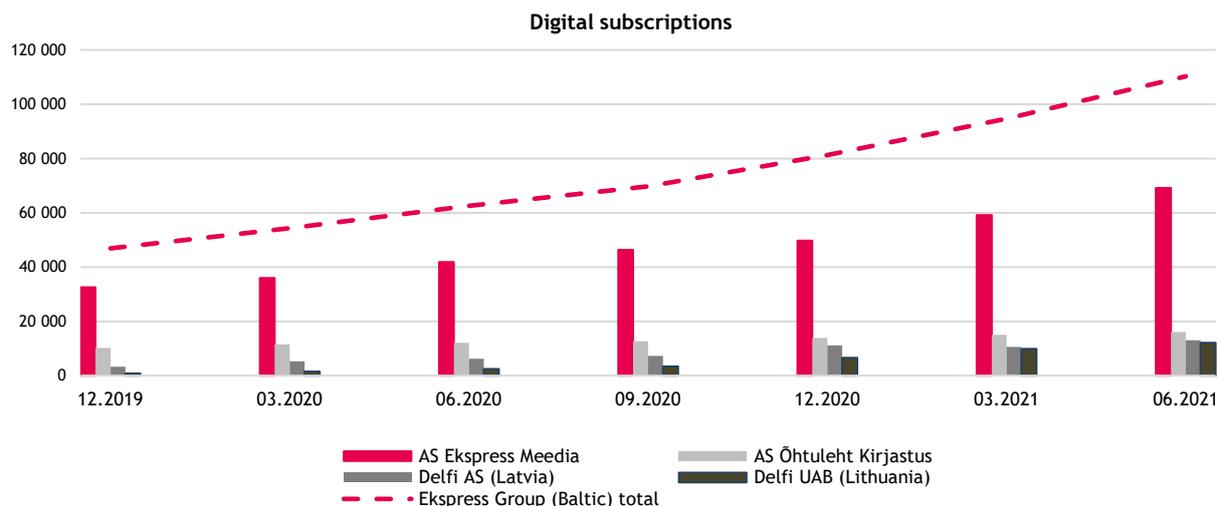
The EBITDA of the media segment in the 2nd quarter of 2021 totalled EUR 2.3 million (2nd quarter 2020: EUR 1.5 million) and in the first six months of 2021, the EBITDA totalled EUR 3.1 million (first six months of 2020: EUR 1.8 million). As compared to the 2nd quarter of the previous year, EBITDA increased by 51%. This was positively impacted a strong sales of online advertising, digital subscriptions and tight cost controls carried out throughout the Group.

The joint venture Õhtuleht 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 2nd quarter of 2021, the revenue of Õhtuleht Kirjastus AS totalled EUR 3.6 million (2nd quarter 2020: EUR 3.2 million) and in the first six months of 2021, the revenue totalled EUR 6.9 million (first six months of 2020: EUR 6.7 million).

DIGITAL SUBSCRIPTIONS

Detailed overview of digital subscriptions:

| (number of subscripitons) | 30.06.2021 | 31.03.2021 | Change % | 31.12.2020 | Change % | 30.06.2020 | Change % |
|-----------------------------|----------------|---------------|------------|---------------|------------|---------------|------------|
| AS Ekspress Meedia | 69 082 | 59 183 | 17% | 49 696 | 39% | 41 801 | 65% |
| AS Õhtuleht Kirjastus | 16 102 | 15 005 | 7% | 13 820 | 17% | 12 090 | 33% |
| Delfi AS (Latvia) | 12 977 | 10 559 | 23% | 11 143 | 16% | 6 226 | 108% |
| Delfi UAB (Lithuania) | 12 092 | 9 892 | 22% | 6 595 | 83% | 2 444 | 395% |
| Ekspress Grupp total | 110 253 | 94 639 | 16% | 81 254 | 36% | 62 561 | 76% |



The number of digital subscriptions increased by 76% across the Baltic States year-over-year (16% in the 2nd quarter, 36% in the first six month) and totalled 110 253 at the end of June.

- 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 65% year-over-year (17% in the 2nd quarter and 39% in the first six months) and totalled 69 082.
- The number of digital subscriptions of AS Õhtuleht, 50% of which is owned by Ekspress Grupp, increased by 33% year-over-year (7% in the 2nd quarter and 17% in the first six months) and totalled 16 102.
- In Latvia, the number of digital subscriptions of Delfi A/S almost doubled (23% in the 2nd quarter, 16% in the first six months of the year) and totalled 12 977.
- In Lithuania, the number of digital subscriptions of Delfi increased by almost five times (22% in the 2nd quarter and 83% in the first six months) and totalled 12 092.

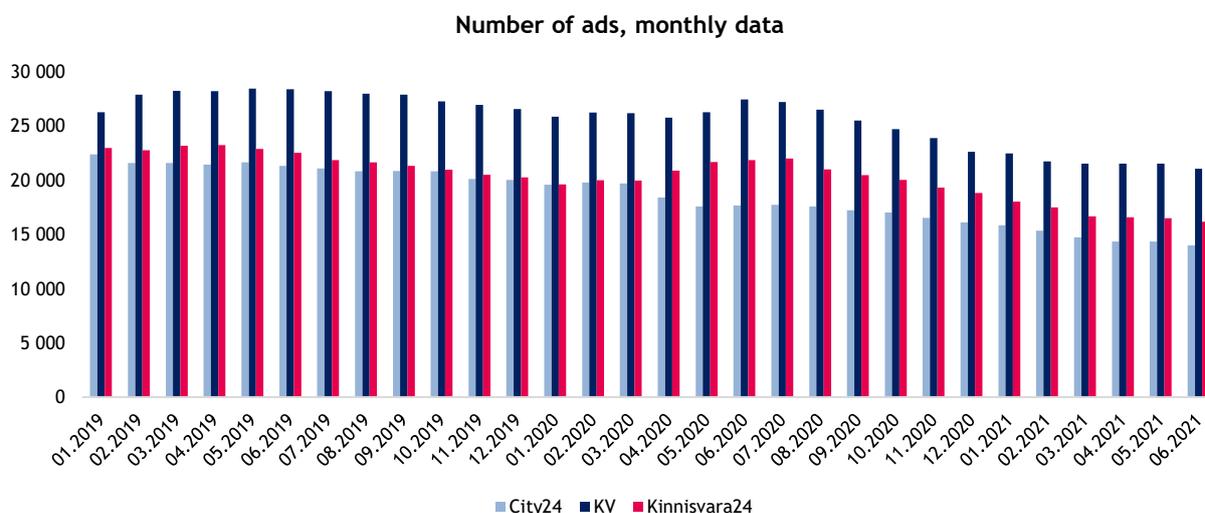
In the 2nd quarter of 2021, rapid digital subscription growth continued in all the countries in which Ekspress Grupp operates. The interest of readers in high-quality content is increasing and paid digital content is becoming the norm.

The addition of digital subscriptions had a positive impact on the results of operations of Ekspress Grupp, confirming that its long-term strategic direction is appropriate. Ekspress Grupp has set the digital subscription growth as one of its key objectives as it will provide a differentiated and an increasingly stronger digital revenue base for the Group's media outlets.

While it has already become a norm in Estonia that people who value availability of information have digital subscriptions of some news contents, it is not yet customary in Lithuania and Latvia and their markets are still in the development stage. For us, this clearly represents a potential for further growth.

The Group actively working on developing technical solutions to make subscribing and reading more convenient. It is important to extend the lifetime of subscriptions, which can only be achieved through attractive and diverse content.

REAL ESTATE PORTAL



The real estate market was still very active in the 2nd quarter of 2021. The sales periods of properties are considerably shorter as compared to last year and demand still exceeds supply. Strong demand for real estate properties and a shortage of new projects have led to a situation where the number of classified ads in real estate portals is still in a downward trend.

In the 2nd quarter of 2021, [Kinnisvara24.ee](https://www.kinnisvara24.ee) managed to maintain its leadership role in terms of new projects. While at the beginning of the year, the sale of banner ads was low due to the shortage of properties, in the 2nd quarter [Kinnisvara24.ee](https://www.kinnisvara24.ee) managed to increase sales volumes of both banner advertising as well as special solutions. The advertising business has remained stable. In terms of business development, [Kinnisvara24.ee](https://www.kinnisvara24.ee) focused on the development of special solutions, creation of new banner space and improvement of the preview of ads.

PRINTING SERVICES SEGMENT

In the 2nd quarter of 2021, the revenue of AS Printall totalled EUR 5.3 million (2nd quarter 2020: EUR 4.6 million) and in the first six months of 2021, the revenue totalled EUR 10.2 million (first six months of 2020: EUR 10.8 million). Revenue increased by 15% as compared to the 2nd quarter of the previous year.

The company's margins stayed strong and the overall production efficiency was improved. 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 2nd quarter of 2021, EBITDA totalled EUR 0.53 million (2nd quarter 2020: EUR 0.25 million), increasing by 113% and EBITDA margin increased to 10% in the 2nd quarter of 2021 (2nd quarter 2020: 5%). In the first six months of 2021, the EBITDA totalled EUR 1.02 million (first six months of 2020: EUR 0.83 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 the first six months of 2021, the share of revenue of AS Printall in other countries was 60% (first six months of 2020: 63%).

In March 2021, AS Printall was granted the Climate Calc certificate which enables the customers to calculate their products' CO2 footprint, with a compensation option.

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

In July 2021 the extraordinary shareholders meeting decided the sale of AS Printall to the main shareholder Hans Luik, see more details in Note 12.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 30 June 2021, the company's share capital is EUR 18 478 105 (31.12.2020: EUR 18 478 105), which is divided into 30 796 841 (31.12.2020: 30 796 841) shares with the nominal value of 0.60 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 30 June 2021 according to the Estonian Central Register of Securities

| Name | Number of shares | % |
|--|-------------------|---------------|
| Hans H. Luik and companies under his control | 18 550 620 | 60.24% |
| <i>Hans H. Luik</i> | 7 963 307 | 25.86% |
| <i>OÜ HHL Rühm</i> | 10 587 313 | 34.38% |
| ING Luxembourg S.A. | 4 002 052 | 13.00% |
| LHV Bank and funds managed by LHV Varahaldus | 2 541 583 | 8.25% |
| Members of the Management Boards* | 118 311 | 0.38% |
| Other minority shareholders | 5 070 303 | 16.46% |
| Treasury shares | 513 972 | 1.67% |
| TOTAL | 30 796 841 | 100.0% |

*Members of the Management Board of AS Ekspress Grupp and its key subsidiaries.

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

Shares held by members of the Management Board and Supervisory Board

Mari-Liis Rüütsalu holds 36 924 shares.

Kaspra Hanni holds 18 462 shares.

Hans H. Luik holds 7 963 307 shares and OÜ HHL Rühm holds 10 587 313 shares, the ownership interest of Hans H. Luik as the ultimate beneficiary of AS Ekspress Grupp is 56.11% (17 280 142 shares).

On 29 June 2021, an agreement was entered into, pursuant to which KJK Fund SICAV-SIF will transfer all its 4 002 052 shares of AS Ekspress Grupp to OÜ HHL Rühm. The transferred shares are 13.00% of total AS Ekspress Grupp shares. The transaction will be completed and the ownership of the shares will be transferred in August 2021.

Pursuant to the transaction, Hans Luik's share in AS Ekspress Grupp will increase to 73.23% in August 2021 - OÜ HHL Rühm's shareholding will increase to 47.37% (14 589 365 shares) and Hans Luik's shareholding remains the same 25.86% (7 963 307 shares).

The price of the share of Ekspress Grupp (EEG1T) in euros and the trading statistics on NASDAQ Tallinn Stock Exchange from 1 January 2017 until 30 June 2021.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2017 until 30 June 2021.



CORPORATE GOVERNANCE

GROUP'S LEGAL STRUCTURE

As of 30 June 2021, the Group consists of 22 companies (31.12.2020: 22). A detailed list of group companies is disclosed in Note 1 to the financial statements.

Changes in the Group's legal structure

In July 2021, AS Ekspress Grupp acquired a 100% ownership interest in Babahh Media OÜ that is engaged in sales of video production, media and infrastructure solutions. Until then, AS Ekspress Grupp owned 49% of the company.

Changes in the management of the Group's subsidiaries

On 1 February 2021, the Supervisory Board of AS Printall decided to extend the mandate of the member of the Management Board Evali Mülts until 2 February 2024. The company's Management Board continues with its current three members: Andrus Takkin (Chairman of the Management Board), Evali Mülts and Tõnis Peebo.

On 18 May 2021, the Supervisory Board of AS Ekspress Meedia decided to temporarily recall Karin Vene from the Management Board as of 15 August 2021. Karin Vene will be on a maternity leave. Piret Põldoja is elected as a member of the Management Board from the same date until 15 February 2023. Piret Põldoja will be responsible for the company's business development area. Starting from 15 August 2021, the Management Board of Ekspress Meedia will be as follows: Argo Virkebau (Chairman of the Board), Erle Laak-Sepp, Tarvo Ulejev, Urmo Soonvald and Piret Põldoja.

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.

In May 2021, The Management Board of AS Ekspress Grupp proposed to the shareholders to adopt resolutions without convening a general meeting in accordance to § 2991 of the Commercial Code. The Management Board made this proposal in order to avoid physical gatherings during the corona pandemic. The notice of adoption of resolutions was published on 20 May 2021 in the stock exchange information system and on the company's homepage, as well as in the 21 May 2021 issue of newspaper LP Eesti Päevaleht.

On 15 June 2021, the shareholders of AS Ekspress Grupp adopted the following resolutions:

- The approval of the 2020 annual report of AS Ekspress Grupp for the financial year from 1st of January 2020 to 31st of December 2020.
- The approval of the profit distribution proposal for 2020. To distribute total 2 509 578 euros as follows: to increase statutory reserve by 125 479 euros; the remaining 2 384 099 euros to be allocated to the retained earnings.
- Extension of the mandate of Aleksandras Česnavičius as the Member of the Supervisory Board until 16.06.2025.

The extraordinary meeting of the shareholders of AS Ekspress Grupp was held on 13 July 2021 in the seat of the public limited company. All members of the Management Board and the Chairman of Supervisory Board participated in the meeting. The general meeting:

- Decided to give the Management Board of Ekspress Grupp its assent and authorise the Management Board of Ekspress Grupp to conclude a share sales agreement according to which Ekspress Grupp will sell all shares that it owns in Printall (registry code 10092701) to Trükitung OÜ (registry code 16253878), which is a company under control of the member of the Supervisory Board of Ekspress Grupp, Hans Luik. The share sales agreement will be concluded under the following basic conditions:
 - The share sales agreement is based on enterprise value of EUR 10 million, i.e. as at the closing available cash will be added and loan obligations will be deducted from the aforesaid amount;
 - EUR 1 million of the sales price will depend on the results of the financial year 2025 of Printall, including the deferred part of the sales price in the amount of EUR 700,000 which will be paid after the financial results of Printall in 2025 are known;
 - Ekspress Grupp and Printall will continue their cooperation.
- Decided to give the Management Board of Ekspress Grupp the right, at its discretion, to determine the remaining conditions of the share sales agreement, while considering the interests of Ekspress Grupp.
- Decided to authorise the Management Board of Ekspress Grupp to conclude all transactions and perform all operations that are necessary for conclusion and execution of the sales agreement.

SUPERVISORY BOARD

The Supervisory Board of AS Ekspress Grupp consists of four members and includes:

- Priit Rohumaa (Chairman)
- Hans H. Luik
- Indrek Kasela
- Aleksandras Česnavičius

On 15 June 2021, the mandate of Aleksandras Česnavičius as the Member of the Supervisory Board was extended until 16.06.2025.

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.

More information about supervisory board on the [website of AS Ekspress Grupp](#).

MANAGEMENT BOARD

The Management Board of AS Ekspress Grupp operates with three members and includes:

- Mari-Liis Rүүtsalu (Chairman)
- Kaspar Hanni
- Signe Kukin

On 27 July 2021, the mandate of Signe Kukin as a Member of the Management Board was extended until 31.12.2024. At the same time, the mandate of Signe Kukin as a Member of the Supervisory Board of AS Ekspress Meedia - the 100% subsidiary of AS Ekspress Grupp - was also extended till 31.01.2026.

More information about management board on the [website of AS Ekspress Grupp](#).

SUPERVISORY AND MANAGEMENT BOARDS OF SUBSIDIARIES

The supervisory and management boards of AS Ekspress Grupp's key subsidiaries as of 30 June 2021 is shown below:

| COMPANY* | SUPERVISORY BOARD | MANAGEMENT BOARD |
|------------------------------------|---|--|
| Printall AS (11 248 301) | Hans Luik (chairman), Kaspar Hanni, Signe Kukin, Mari-Liis Rüütsalu | Andrus Takkin (chairman), Evali Mülts, Tõnis Peebo |
| Ekspress Meedia AS (14 104 572) | Hans Luik (chairman), Mari-Liis Rüütsalu, Kaspar Hanni, Signe Kukin | Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Karin Vene |
| Delfi UAB (3 047 038) | Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin | Vytautas Benokraitis |
| SIA Biļešu Paradīze** (354 564) | Mari-Liis Rüütsalu (chairman), Signe Kukin, Konstantins Kuzikovs | Jānis Ņuzulis (chairman), Jānis Daube |
| Delfi A/S (Läti) (3 552 260) | 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 30 June 2021 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)..... | 19 |
| Consolidated statement of comprehensive income (unaudited) | 20 |
| Consolidated statement of changes in equity (unaudited) | 21 |
| Consolidated cash flow statement (unaudited)..... | 22 |
| SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS..... | 23 |
| Note 1. General information | 23 |
| Note 2. Bases of preparation | 24 |
| Note 3. Financial risk management..... | 24 |
| Note 4. Property, plant and equipment, and intangible assets..... | 25 |
| Note 5. Bank loans and borrowings | 25 |
| Note 6. Segment reporting..... | 26 |
| Note 7. Earnings per share..... | 28 |
| Note 8. Share option plan..... | 28 |
| Note 9. Equity and dividends | 28 |
| Note 10. Related party transactions..... | 29 |
| Note 11. Contingent assets and liabilities | 30 |
| Note 12. Subsequent events | 30 |

Consolidated balance sheet (unaudited)

| (EUR thousand) | 30.06.2021 | 31.12.2020 |
|--|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 4 207 | 6 269 |
| Trade and other receivables | 11 369 | 9 450 |
| Corporate income tax prepayment | 153 | 7 |
| Inventories | 2 596 | 2 756 |
| Total current assets | 18 325 | 18 482 |
| Non-current assets | | |
| Other receivables and investments | 948 | 982 |
| Deferred tax asset | 30 | 30 |
| Investments in joint ventures | 898 | 1 661 |
| Investments in associates | 2 336 | 2 253 |
| Property, plant and equipment (Note 4) | 15 014 | 14 134 |
| Intangible assets (Note 4) | 56 766 | 56 635 |
| Total non-current assets | 75 992 | 75 696 |
| TOTAL ASSETS | 94 316 | 94 177 |
| LIABILITIES | | |
| Current liabilities | | |
| Borrowings (Note 5) | 3 421 | 3 613 |
| Trade and other payables | 14 721 | 15 251 |
| Corporate income tax payable | 53 | 81 |
| Total current liabilities | 18 196 | 18 945 |
| Non-current liabilities | | |
| Long-term borrowings (Note 5) | 18 652 | 18 589 |
| Other long-term liabilities | 2 040 | 2 025 |
| Total non-current liabilities | 20 692 | 20 613 |
| TOTAL LIABILITIES | 38 888 | 39 558 |
| EQUITY | | |
| Minority interest | 128 | 126 |
| Capital and reserves attributable to equity holders of parent company: | | |
| Share capital (Note 9) | 18 478 | 18 478 |
| Share premium | 14 277 | 14 277 |
| Treasury shares (Note 9) | (384) | (209) |
| Reserves (Note 9) | 1 903 | 1 758 |
| Retained earnings | 21 026 | 20 189 |
| Total capital and reserves attributable to equity holders of parent company | 55 300 | 54 493 |
| TOTAL EQUITY | 55 428 | 54 619 |
| TOTAL LIABILITIES AND EQUITY | 94 316 | 94 177 |

The Notes presented on pages 23-30 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

| (EUR thousand) | Q2 2021 | Q2 2020 | 6M 2021 | 6M 2020 | 12 months 2020 |
|--|--------------|--------------|--------------|--------------|----------------|
| Sales | 17 890 | 13 944 | 33 181 | 29 646 | 63 243 |
| Cost of sales | (13 763) | (11 598) | (26 509) | (25 070) | (50 637) |
| Gross profit | 4 128 | 2 346 | 6 671 | 4 576 | 12 607 |
| Other income | 212 | 521 | 319 | 605 | 2 040 |
| Marketing expenses | (892) | (531) | (1 488) | (1 288) | (2 701) |
| Administrative expenses | (1 898) | (1 602) | (3 923) | (3 495) | (7 532) |
| Other expenses | (29) | (56) | (55) | (80) | (1 336) |
| Operating profit /(loss) | 1 521 | 678 | 1 524 | 319 | 3 078 |
| Interest income | 8 | 6 | 17 | 12 | 28 |
| Interest expenses | (202) | (217) | (412) | (441) | (877) |
| Other finance income/(costs) | (15) | (12) | (4) | (28) | 614 |
| Net finance cost | (209) | (223) | (400) | (457) | (235) |
| Profit/(loss) on shares of joint ventures | (63) | 135 | (170) | 8 | 102 |
| Profit/(loss) on shares of associates | 32 | (8) | 67 | (28) | (129) |
| Profit /(loss) before income tax | 1 281 | 582 | 1 021 | (158) | 2 816 |
| Income tax expense | (34) | (1) | (39) | (2) | (280) |
| Net profit /(loss) for the reporting period | 1 247 | 582 | 982 | (160) | 2 536 |
| Net profit /(loss) for the reporting period attributable to | | | | | |
| Equity holders of the parent company | 1 246 | 575 | 980 | (168) | 2 510 |
| Minority interest | 1 | 7 | 2 | 8 | 26 |
| Total comprehensive income /(loss) | 1 247 | 582 | 982 | (160) | 2 536 |
| Comprehensive income /(loss) for the reporting period attributable to | | | | | |
| Equity holders of the parent company | 1 246 | 575 | 980 | (168) | 2 510 |
| Minority interest | 1 | 7 | 2 | 8 | 26 |
| Basic earnings per share (Note 7) | 0.04 | 0.02 | 0.03 | (0.01) | 0.08 |
| Diluted earnings per share (Note 7) | 0.04 | 0.02 | 0.03 | (0.01) | 0.08 |

The Notes presented on pages 23-30 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 31.12.2019 | 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 |
| <i>Total transactions with owners</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>70</i> | <i>(70)</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| Other changes | 0 | 0 | 0 | 0 | 9 | 9 | 0 | 9 |
| Net profit / (loss) for the reporting period | 0 | 0 | 0 | 0 | (168) | (168) | 8 | (160) |
| <i>Total comprehensive income / (loss) for the reporting period</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>(168)</i> | <i>(168)</i> | <i>8</i> | <i>(160)</i> |
| Balance on 30.06.2020 | 17 878 | 14 277 | (22) | 1 758 | 17 472 | 51 363 | 108 | 51 471 |
| Balance on 31.12.2020 | 18 478 | 14 277 | (209) | 1 758 | 20 189 | 54 493 | 126 | 54 619 |
| Increase of statutory reserve capital | 0 | 0 | 0 | 126 | (126) | 0 | 0 | 0 |
| Purchase of treasury shares | 0 | 0 | (446) | 0 | 0 | (446) | 0 | (446) |
| Share options | 0 | 0 | 271 | 19 | (17) | 273 | 0 | 273 |
| <i>Total transactions with owners</i> | <i>0</i> | <i>0</i> | <i>(175)</i> | <i>145</i> | <i>(143)</i> | <i>(173)</i> | <i>0</i> | <i>(173)</i> |
| Net profit / (loss) for the reporting period | 0 | 0 | 0 | 0 | 980 | 980 | 2 | 982 |
| <i>Total comprehensive income / (loss) for the reporting period</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>980</i> | <i>980</i> | <i>2</i> | <i>982</i> |
| Balance on 30.06.2021 | 18 478 | 14 277 | (384) | 1 903 | 21 026 | 55 300 | 128 | 55 428 |

The Notes presented on pages 23-30 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

| (EUR thousand) | 6M 2021 | 6M 2020 | 12 months 2020 |
|--|----------------|----------------|-------------------|
| Cash flows from operating activities | | | |
| Operating profit for the reporting year | 1 524 | 319 | 3 078 |
| Adjustments for: | | | |
| Depreciation and amortisation (Note 4) | 2 281 | 2 011 | 3 968 |
| (Gain)/loss on sale, write-down and impairment of property, plant and equipment | 36 | (3) | 986 |
| Change in value of share option | 19 | 0 | 0 |
| Cash flows from operating activities: | | | |
| Trade and other receivables | (1 150) | 2 470 | 3 274 |
| Inventories | 160 | 68 | 375 |
| Trade and other payables | (390) | 1 515 | (1 201) |
| Cash generated from operations | 2 481 | 6 379 | 10 480 |
| Income tax paid | (212) | (56) | (263) |
| Interest paid | (277) | (306) | (903) |
| Net cash generated from operating activities | 1 992 | 6 017 | 9 314 |
| Cash flows from investing activities | | | |
| Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees | (201) | (203) | (425) |
| Receipts of other investments | 51 | 0 | 16 |
| Interest received | 2 | 1 | 2 |
| Purchase of property, plant and equipment and intangible assets (Note 4) | (1 268) | (1 037) | (2 562) |
| Proceeds from sale of property, plant and equipment and intangible assets | 1 | 29 | 308 |
| Loans granted | (82) | (98) | (331) |
| Dividends received | 78 | 150 | 150 |
| Net cash used in investing activities | (1 419) | (1 158) | (2 841) |
| Cash flows from financing activities | | | |
| Payment of lease liabilities | (954) | (519) | (949) |
| Change in overdraft | 0 | (1 018) | (1 018) |
| Loans received / Repayments of bank loans (Note 5) | (1 235) | (662) | (1 884) |
| Proceeds from share issuance | 0 | 0 | 600 |
| Purchases of treasury shares | (446) | 0 | (600) |
| Net cash used in financing activities | (2 635) | (2 200) | (3 851) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (2 062) | 2 659 | 2 621 |
| Cash and cash equivalents at the beginning of the period | 6 269 | 3 647 | 3 647 |
| Cash and cash equivalents at the end of the period | 4 207 | 6 306 | 6 269 |

The Notes presented on pages 23-30 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 29 July 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 30.06.2021 | Ownership interest 31.12.2020 | 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% | 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 |
| Biļešu 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 |
| 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% | 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 SIA | Subsidiary | 100% | 100% | Online advertising solutions and network | Latvia |
| Videotinklas UAB | Subsidiary | 100% | 100% | Production studio for content creation | Lithuania |
| Õhtuleht 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 Ekрани 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 |

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 2nd quarter and first half-year ended on 30 June 2021 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 2020.

The Management Board estimates that the interim consolidated financial statements for the 2nd quarter and first half-year 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 2020.

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.

More information about risk management on the [website of AS Ekspress Grupp](#).

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

| (EUR thousand) | Property, plant and equipment | | Intangible assets | |
|--|-------------------------------|---------------|-------------------|---------------|
| | 6M 2021 | 6M 2020 | 6M 2021 | 6M 2020 |
| Balance at beginning 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 |
| Acquisitions and improvements* | 2 450 | 899 | 930 | 569 |
| Disposals (at carrying amount) | (1) | 0 | 0 | 0 |
| Write-down, write-off and impairment of non-current assets | (61) | 0 | (26) | 0 |
| Reclassification | 40 | 0 | (40) | 0 |
| Acquired through business combinations | 0 | 0 | 0 | 457 |
| Depreciation and amortisation | (1 548) | (1 280) | (733) | (730) |
| Balance at end of the period | | | | |
| Cost | 44 997 | 42 405 | 77 940 | 76 983 |
| Accumulated depreciation and amortisation | (29 983) | (27 844) | (21 174) | (20 319) |
| Carrying amount | 15 014 | 14 561 | 56 766 | 56 664 |

* Acquisition and improvements of property, plant and equipment in 2021 include the recognition of right of use leased assets in the amount of EUR 1 332 thousand according to the accounting standard IFRS 16 "Leases".

Note 5. 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 30.06.2021 | | | | |
| Overdraft | 0 | 0 | 0 | 0 |
| Long-term bank loans | 11 310 | 2 401 | 8 909 | 0 |
| Notes | 5 000 | 0 | 0 | 5 000 |
| Lease liability | 5 763 | 1 020 | 4 743 | 0 |
| Total | 22 073 | 3 421 | 13 652 | 5 000 |
| 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 |

In July 2021 AS Ekspress Grupp and AS SEB Pank signed amendments to the loan agreements, as a result of which the new due date of the loans is 18 July 2026 instead of the previous date of 25 April 2022. According to the new agreement, the monthly repayment was reduced from EUR 204 thousand a month to EUR 60 thousand a month.

In addition, a new loan agreement was concluded with AS SEB Pank to refinance the loan of AS Citadele banka in the amount of EUR 2.1 million with due date 3 June 2024. According to the new agreement the loan repayment schedule will remain unchanged, the new due date is 18 July 2026.

According to the new agreements the interest margin will be in the range of 1.75%-1.9% instead of the previous 1.9%-3.9%. Other key terms of the loan agreements remained unchanged.

Note 6. 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), SIA Biļešu Paradīze and Videotinklas UAB.

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, incl digital subscriptions, 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, which is the largest printing house in Estonia. 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.

| Q2 2021 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|-----------------------------|--------|----------------------|------------------------|--------------|----------------|
| Sales to external customers | 12 890 | 4 665 | 335 | 0 | 17 890 |
| Inter-segment sales | 14 | 590 | 719 | (1 322) | 0 |
| Total segment sales | 12 904 | 5 255 | 1 054 | (1 322) | 17 890 |
| EBITDA | 2 281 | 529 | (111) | (34) | 2 666 |
| EBITDA margin | 18% | 10% | | | 15% |
| Depreciation (Note 4) | | | | | 1 170 |
| Operating profit /(loss) | | | | | 1 521 |
| Investments (Note 4) | | | | | 933 |

| Q2 2020 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|-----------------------------|-------|----------------------|------------------------|--------------|----------------|
| Sales to external customers | 9 878 | 3 996 | 69 | 0 | 13 944 |
| Inter-segment sales | 13 | 573 | 451 | (1 037) | 0 |
| Total segment sales | 9 891 | 4 569 | 520 | (1 037) | 13 944 |
| EBITDA | 1 514 | 248 | (92) | (16) | 1 654 |
| EBITDA margin | 15% | 5% | | | 12% |
| Depreciation (Note 4) | | | | | 972 |
| Operating profit /(loss) | | | | | 678 |
| Investments (Note 4) | | | | | 422 |

| 6M 2021 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|-----------------------------|--------|----------------------|------------------------|--------------|----------------|
| Sales to external customers | 23 530 | 8 978 | 672 | 0 | 33 181 |
| Inter-segment sales | 29 | 1 184 | 1 434 | (2 648) | 0 |
| Total segment sales | 23 560 | 10 163 | 2 106 | (2 648) | 33 181 |
| EBITDA | 3 076 | 1 022 | (289) | (53) | 3 755 |
| EBITDA margin | 13% | 10% | | | 11% |
| Depreciation (Note 4) | | | | | 2 281 |
| Operating profit /(loss) | | | | | 1 524 |
| Investments (Note 4) | | | | | 3 380 |

| 6M 2020 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|-----------------------------|--------|----------------------|------------------------|--------------|----------------|
| Sales to external customers | 19 883 | 9 609 | 154 | 0 | 29 646 |
| Inter-segment sales | 34 | 1 203 | 881 | (2 118) | 0 |
| Total segment sales | 19 917 | 10 813 | 1 035 | (2 118) | 29 646 |
| EBITDA | 1 762 | 831 | (236) | (33) | 2 325 |
| EBITDA margin | 9% | 8% | | | 8% |
| Depreciation (Note 4) | | | | | 2 011 |
| Operating profit /(loss) | | | | | 319 |
| Investments (Note 4) | | | | | 1 467 |

Note 7. 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 | Q2 2021 | Q2 2020 | 6M 2021 | 6M 2020 |
|---|-------------|-------------|-------------|---------------|
| Profit attributable to equity holders | 1 245 846 | 575 327 | 980 411 | (167 957) |
| Average number of ordinary shares at the end of the period | 30 268 884 | 29 779 314 | 30 202 769 | 29 779 314 |
| Number of ordinary shares potentially issued at the end of the period | 1 183 012 | 0 | 1 183 012 | 0 |
| Basic earnings per share | 0.04 | 0.02 | 0.03 | (0.01) |
| Diluted earnings per share | 0.04 | 0.02 | 0.03 | (0.01) |

Note 8. Share option plan

In June 2017, the General Meeting of Shareholders approved the share option plan for key employees, which was mostly exercised at the end of 2020 and in the 1st quarter of 2021.

By 30 June 2021, the balance of issued options of the share option plan approved in 2017 was 69 thousand (as of 31.12.2020: 450 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. As of 30 June 2021, the remaining liability of the mentioned stock option amounted to EUR 45 thousand (31.12.2020: EUR 289 thousand).

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 30 June 2021 total amount of share options granted was 1 183 thousand, each giving a right to acquire one share at the nominal price of the shares at the time of the issuing 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.

Upon approving the share option, the option was recognised at its fair value and recognised on the one hand in the profit or loss statement as labour cost and, on the other hand, as a share option reserve in equity. As of 30 June 2021 this reserve totalled EUR 19 thousand (31.12.2020 EUR 0).

Note 9. Equity and dividends

Share capital

As of 30 June 2021, the company's share capital is EUR 18 478 105 (31.12.2020: EUR 18 478 105), which is divided into 30 796 841 (31.12.2020: 30 796 841) shares with the nominal value of 0.60 euros per share.

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

Treasury shares

In the 1st half-year of 2021, within the framework of the share option plan the option owners were transferred 374 611 shares and bought back 547 162 shares. As a result, the balance of treasury shares increased by EUR 175 thousand.

As of 30 June 2021, the Company had 513 972 treasury shares (31.12.2020: 341 421) in the total amount of EUR 384 thousand (31.12.2020: EUR 209 thousand) to be used for the current share option plan.

Note 10. 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.

| (EUR thousand) | 6M 2021 | | 30.06.2021 | | 31.12.2020 | |
|--|--------------|--------------|--------------|------------|-------------|------------|
| | Sales | Purchases | Receivables | Payables | Receivables | Payables |
| Members of Supervisory Board and companies related to them | 6 | 191 | 0 | 7 | 0 | 8 |
| Members of Management Board and companies related to them | 0 | 9 | 0 | 2 | 1 | 1 |
| Associates | 78 | 20 | 187 | 3 | 186 | 0 |
| Joint ventures | 1 157 | 970 | 970 | 191 | 218 | 197 |
| Total | 1 241 | 1 191 | 1 157 | 203 | 405 | 206 |

| (EUR thousand) | 6M 2020 | | 30.06.2020 | | 31.12.2019 | |
|--|------------|------------|-------------|------------|-------------|------------|
| | Sales | Purchases | Receivables | Payables | Receivables | Payables |
| Members of Supervisory Board and companies related to them | 1 | 200 | 0 | 51 | 9 | 10 |
| Members of Management Board and companies related to them | 0 | 10 | 0 | 1 | 0 | 2 |
| Associates | 81 | 16 | 174 | 0 | 182 | 0 |
| Joint ventures | 609 | 511 | 108 | 119 | 107 | 116 |
| Total | 691 | 737 | 282 | 171 | 297 | 128 |

According to the decision of the General Meeting held on 4 May 2012, Hans H. Luik will be paid a guarantee fee for granting the financing agreements, of 1.5% per annum on the guarantee amount for the personal guarantee of EUR 4 million until the provided guarantee expires. During the 1st half-year of 2021, a payment of EUR 30 thousand (1st half-year 2020: EUR 26 thousand) was paid for the personal guarantee and there are no outstanding liabilities as of 30 June 2021 and 31 December 2020.

Remuneration of members of the Management Boards of the consolidation group

| (EUR thousand) | 6M 2021 | 6M 2020 |
|--|------------|------------|
| Salaries and other benefits (without social tax) | 965 | 814 |
| Share option | 16 | 34 |
| Total (without social tax) | 981 | 848 |

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 30 June 2021, the maximum gross amount of potential Key Management termination benefits was EUR 765 thousand (31.12.2020: EUR 759 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 11. Contingent assets and liabilities

On 28 April 2020, Harju County Court forwarded a statement of claim of MM Grupp OÜ to AS Ekspress Meedia, in which MM Grupp OÜ 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. On 17 March 2021, Harju County Court made a decision in the action of MM Grupp OÜ against AS Ekspress Meedia, in which the court dismissed the claim for the compensation of damage in the amount of EUR 2.0 million and satisfied the action in the claim to refute one factual allegation. The court ordered both parties to cover their own procedural expenses. MM Grupp OÜ appealed the judgement to Tallinn Circuit Court.

Note 12. Subsequent events

On 13 July 2021, the extraordinary meeting of the shareholders of AS Ekspress Grupp decided to give the Management Board of Ekspress Grupp its assent and authorise the Management Board of Ekspress Grupp to conclude a share sales agreement according to which Ekspress Grupp will sell all shares that it owns in Printall (registry code 10092701) to Trükitung OÜ (registry code 16253878), which is a company under control of the member of the Supervisory Board of Ekspress Grupp, Hans Luik. The share sales agreement will be concluded under the following basic conditions:

- The share sales agreement is based on enterprise value of EUR 10 million, i.e. as at the closing available cash will be added and loan obligations will be deducted from the aforesaid amount;
- EUR 1 million of the sales price will depend on the results of the financial year 2025 of Printall, including the deferred part of the sales price in the amount of EUR 700,000 which will be paid after the financial results of Printall in 2025 are known;
- Ekspress Grupp and Printall will continue their cooperation.

According to the preliminary estimate, the transaction will result in the reduction of the Group's assets by EUR 7.2 million and liabilities by EUR 5.0 million, and the one-off net loss will be EUR 2.2 million.

AS Printall strategic alternatives assessment launched in December 2020. Assessment process was led by Porta Finance. Among other we considered alternatives for continuing the business as is, sale of Printall operations, sale-leaseback of Printall real estate, and potential mergers. Over 50 potential buyers contacted in total as part of a competitive controlled auction process, including both local and international strategic, financial, and real estate investors. Offers in a range of 6.3 - 10 million euros were received.

Transaction will give a full exit from a business sector that doesn't match with group's strategy and sector with a significant CAPEX requirements. Release of capital for financing Ekspress Grupp's continued growth in digital media. Deal certainty with closing planned in Q3 2021.

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 3 to 30 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> | 29.07.2021 |
| Signe Kukin | member of the Management Board | <i>signed digitally</i> | 29.07.2021 |
| Kaspar Hanni | member of the Management Board | <i>signed digitally</i> | 29.07.2021 |

BRIEF OVERVIEW OF THE GROUP

Ekspress Grupp 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 media segment and 49% of the 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**.
- **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 56.11%.

Ekspress Grupp in figures (2020)



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

 adnet
media

 altero.ee

BABAHH

 BIŁEŠU
PARADIZE

 LINNA EKRAANID

 Ds
dscreens.lv

HEA
LUGU

EKSPRESS
MEED/A

 KINNIS-
VARA
24

 printall

exP
ost

**Õhtuleht
Kirjastus**

Delfi

 ●●● EestiPäevaleht

EESTI EKSPRESS

Maaleht

Kroonika

EESTI NAINE

*anne
& stül*

PERE ja KODU

MAAKODU

Oma Maitse

Tervis PLUS

piletitasku

Õhtuleht

Linnaleht

Naisteleht

 Naisteleht
55+

 tv
teleleht

Kodukiri

Nipiraamat

käsitöö

Kalale! LOODUSES

Eesti Ajalugu

Tiiu

Eesti Mets