

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

**AS EKSPRESS GRUPP
CONSOLIDATED INTERIM REPORT
FOR THE FIRST QUARTER OF 2021
(unaudited)**

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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 2021
End of reporting period	31 March 2021
Financial year	1 January - 31 December
Management Board	Mari-Liis Rüütsalu Signe Kukin Kaspar Hanni
Supervisory Board	Priit Rohumaa Hans H. Luik Indrek Kasela 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 48 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>	29.04.2021
Signe Kukin	member of the Management Board	<i>signed digitally</i>	29.04.2021
Kaspar Hanni	member of the Management Board	<i>signed digitally</i>	29.04.2021

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.

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 the 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, the quality and cost-efficiency of printed media and 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 optimal distribution of investments, repayment of loans and profit allocation both from the point of view of the Group and its investors.

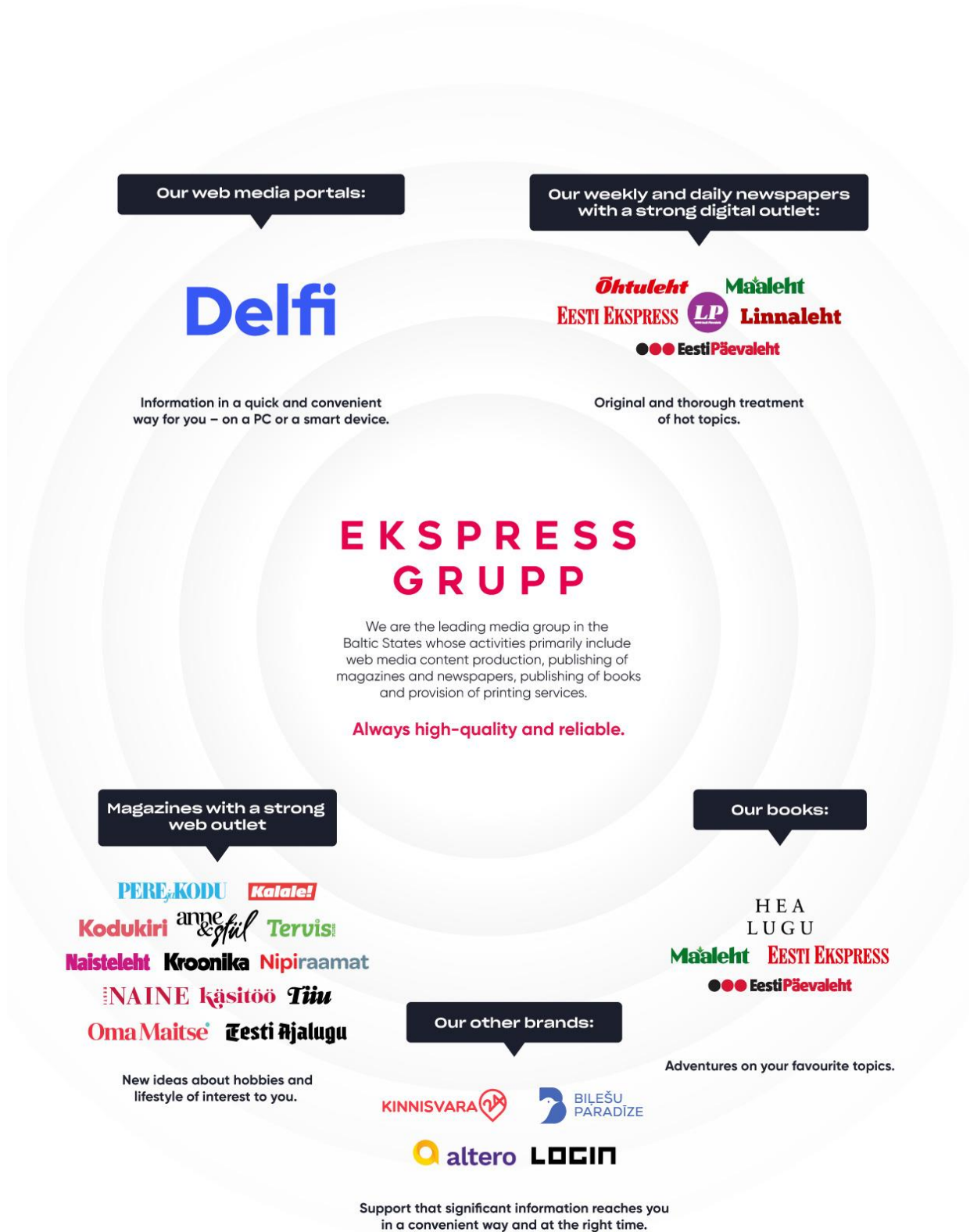
To implement the Group's strategy, our goal remains production of award-winning content valued by our readers and media experts alike while being a leading digital publisher in the Baltic States both in terms of the time spent online and the number of actual users. We wish to continue providing high-quality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

GROUP'S KEY BUSINESSES

	AS Ekspress Meedia / Estonia Ekspress Meedia manages Estonia's most versatile and readable online portal Delfi with more than 600,000 weekly readers. Ekspress Meedia also publishes the flagships of newspapers (Eesti Ekspress, Eesti Päevaleht, Maaleht) and magazines (Maakodu, Eesti Naine, Tervis +, Oma Maitse, Anne & Stiil, Pere & Kodu, Kroonika) in Estonian media landscape.
	Delfi UAB / Lithuania Delfi Lithuania has almost 1.4 million monthly users and more than 700 thousand daily real users.
	A/S Delfi / Latvia Delfi Latvia has been recognised as the most trustworthy and most beloved news media brand in Latvia, with more than 800,000 monthly users DELFI is a leading news media channel in Latvia, in both languages - Latvian and Russian.
	SIA Biļešu Paradīze / Latvia Biļešu Paradīze 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 Õhtuleht Kirjastus / Estonia Õhtuleht Kirjastus publishes Estonia's largest daily newspaper Õhtuleht, free newspaper Linnaleht and news and entertainment portals with over 440,000 monthly users. On 1 June 2018, it merged with Ajakirjade Kirjastus and more than 10 magazines were transferred to it. At the end of 2019, Õhtuleht Kirjastus bought the magazines Tiiu and Eesti Ajalugu. Õhtuleht Kirjastus has a total of over 120,000 subscriptions.
	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 / Estonia, Latvia, Lithuania Altero is a leading financial comparison platform in the Baltics. Altero started its operations in Latvia in 2016, in Lithuania in 2019 and in Estonia in 2020. More than 100,000 Altero clients have compared financial offers for consumer loans, car loans and other products since the launch in June 2016.
	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 SIA / 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 both original and translated fiction, history books, autobiographies and memoirs, books for children, reference books and practical handbooks. Hea Lugu operates trademarks Maailm ja Mõnda, 100 Rooga, Õhtuõpik, Eesti Ekspressi Raamat, Eesti Päevalehe Raamat, Maalehe Raamat and Raamat24. Books are also published in e- and audio formats.
	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



MANAGEMENT REPORT

MANAGEMENT'S COMMENTS

In the 1st quarter of 2021, the Group managed to further strengthen its market position and improve profitability, despite the worsening pandemic in the Baltic States. The revenue in the first three months of the year declined by 3% to EUR 15.3 million as compared to 2020 while the Group's profitability improved by 64% and net loss decreased to EUR 0.26 million. The share of the Group's digital revenue was 50% of total revenue and 72% of media segment revenue.

In the 1st quarter of 2021, consolidated revenue totalled EUR 15.3 million (1st quarter 2020: EUR 15.7 million). The revenue decline is primarily attributed to the drop in export volumes in the printing services segment due to the European coronavirus restrictions. In the 1st quarter, digital revenue accounted for 50% of the Group's total revenue and 72% of media segment revenue (1st quarter 2020: 41% of total revenue and 65% of media segment revenue, respectively). Digital revenue increased by 18% as compared to the same period last year. The revenue of the media segment is primarily impacted by continued strong sales of online advertising and digital subscriptions.

The volume of digital subscriptions of AS Ekspress Grupp increased by 74% by the end of March as compared to the same period last year and totalled ca 95 thousand subscriptions. Readers' interest in high-quality content has been increasing. We have maintained our leadership position as compared to our competitors, although competition in the area of digital subscriptions is intensifying. Ekspress Grupp has set digital subscription growth as one of its key goals because it will create a differentiated and increasingly stronger digital revenue base for the Group's media outlets.

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 1.09 million in the 1st quarter which is EUR 0.4 million or 62% higher as compared to the 1st quarter of 2020. Ongoing cost reduction and strong sales of online advertising and digital subscriptions in all Baltic States have helped improve profitability. The effects of the ongoing pandemic in the 1st quarter have not turned out to be of the same magnitude as in March 2020 when advertising sales received a major setback. The buyers of online advertisements have adjusted to the new environment and reality, however, the share of print media advertising has decreased. The Group's net loss in the 1st quarter was EUR 0.26 million which is EUR 0.48 million or 64% lower as compared to the 1st quarter of 2020.

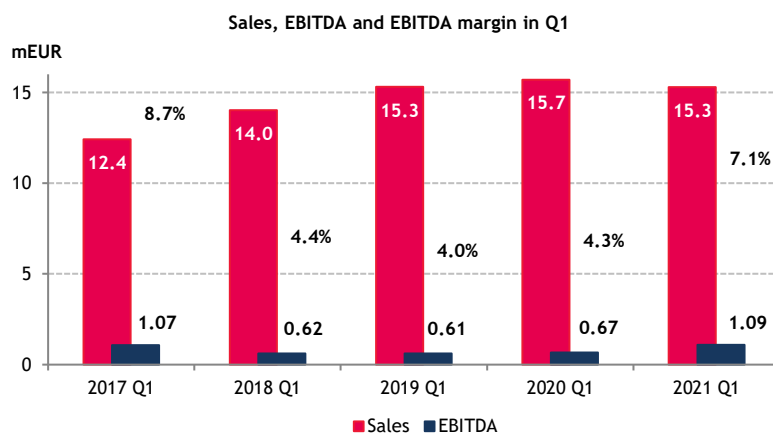
The state of emergency related to COVID-19 has the greatest impact on the ticket sales platform in Latvia where all cultural events were cancelled in the 1st quarter. The activities related to the ticket sales area have been extremely limited over the last 12 months. We have used this period to focus on the development of the ticket sales platform and since April, we also launched the ticket sales platform [Piletitasku](#) in Estonia. With the expansion of the ticket sales business into Estonia, Ekspress Grupp 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.

The 1st quarter marked a major milestone for the largest Estonian news portal Delfi, because we launched a portal with a revamped design and several changes. In addition to the visual layout, the web technologies of the entire portal and the internal tools of the editorial staff were upgraded in order to bring quality news even faster to the readers in the future. In addition to upgrading photo, video, multimedia and text entry tools, the administration settings of the Delfi comments block were also totally overhauled in order to facilitate substantive and reduce unsuitable commentary. Machines and other modern automated tools are now used to screen comments.

The need for the technological upgrade of the Delfi portal also arose due to the increasing shift of news consumption from desktop to mobile devices. At the moment, about two thirds of the visitors of Delfi use mobile devices due to which most of the upgrades were related to the mobile layout of Delfi. The entire revamped portal is visually cleaner and noise-free, the article viewing is smoother and moving to the following articles is easier and faster.

The new Delfi logo and the visual language are dynamic, modern and friendly, and they fit well into the broad digital media portfolio. The revamped portals were designed by the team of the designers of Ekspress Meedia. More than 30 people in the Baltic States worked on the development and launch of the new Delfi platform over the period of 18 months.

SUMMARY OF THE RESULTS OF THE FIRST QUARTER



REVENUE

The consolidated revenue for the 1st quarter of 2021 totalled EUR 15.3 million (1st quarter 2020: EUR 15.7 million). Revenue decreased by 3% year-over-year in the 1st quarter. The revenue decline is primarily attributed to the drop in export volumes in the printing services segment due to the European coronavirus restrictions. In the 1st quarter of 2021, the share of the Group's digital revenue accounted for 50% of total revenue and 72% of media segment revenue (1st quarter 2020: 41% of total revenue and 65% media segment revenue, respectively). Digital revenue increased by 18% as compared to the same period last year.

PROFITABILITY

In the 1st quarter of 2021, the consolidated EBITDA totalled EUR 1.09 million (1st quarter 2020: EUR 0.67 million). In the 1st quarter of 2021, EBITDA increased by 62% as compared to the previous year and the EBITDA margin was 7.1% (1st quarter 2020: 4.3%). Ongoing cost reduction and strong sales of online advertising and digital subscriptions in all Baltic States have helped improve profitability.

In the 1st quarter of 2021, the consolidated net loss totalled EUR 0.26 million (1st quarter 2020: EUR -0,74 million), which is EUR 0.48 million and 64% lower as compared to 2020.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 4.6 million and equity in the amount of EUR 54.1 million (58% of total assets). The comparable data as of 31 March 2020 were EUR 3.5 million and EUR 50.9 million (54% of total assets), respectively. As of 31 March 2021, the Group's net debt was EUR 18.2 million (31 March 2020: EUR 20.4 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). In December 2020, an extraordinary one-off payment was made in the amount of EUR 0.35 million to cover principal payments in the period from January to June 2021. 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.

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FINANCIAL INDICATORS AND RATIOS

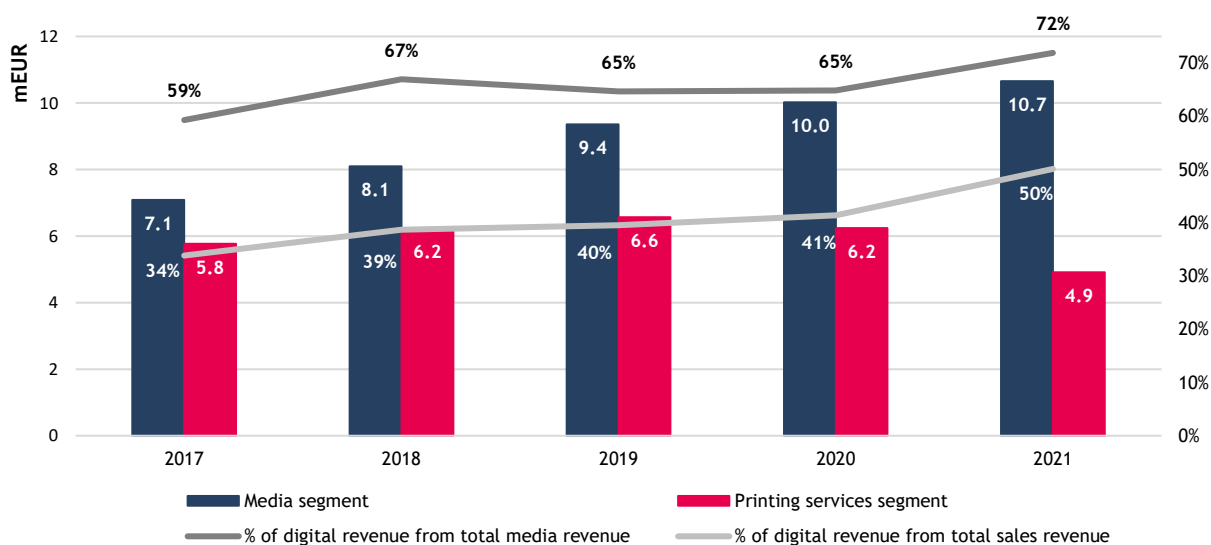
In compliance with International Financial Reporting Standards (IFRS), 50% joint ventures must be recognised under the equity method in the consolidated financial statements.

Performance indicators (EUR thousand)	Q1 2021	Q1 2020	Change %	12 months 2020
For the period				
Sales revenue	15 290	15 703	-3%	63 243
EBITDA	1 089	671	62%	7 004
EBITDA marginal (%)	7.1%	4.3%		11.1%
Operating profit / (loss)	4	(359)	101%	3 078
<i>Operating margin (%)</i>	<i>0.0%</i>	<i>-2.3%</i>		<i>4.9%</i>
Interest expenses	(211)	(224)	6%	(877)
Profit / (loss) of joint ventures under the equity method	(107)	(127)	16%	102
Net profit / (loss) for the period	(264)	(742)	64%	2 536
Net margin (%)	-1.7%	-4.7%		4.0%
<i>Return on assets (ROA) (%)</i>	<i>-0.3%</i>	<i>-0.8%</i>		<i>2.7%</i>
<i>Return on equity (ROE) (%)</i>	<i>-0.5%</i>	<i>-1.5%</i>		<i>4.9%</i>
Basic earnings per share	(0.01)	(0.02)		0.08
Diluted earnings per share	(0.01)	(0.02)		0.08

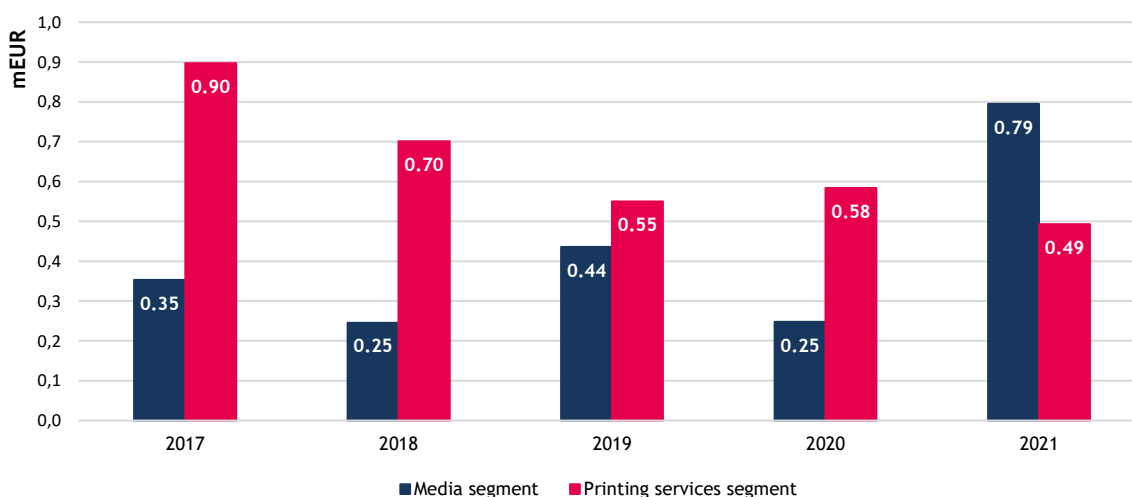
Balance sheet (EUR thousand)	31.03.2021	31.12.2020	Change %
As of the end of the period			
Current assets	16 671	18 482	-10%
Non-current assets	76 962	75 696	2%
Total assets	93 633	94 177	-1%
<i>incl. cash and cash equivalents</i>	<i>4 571</i>	<i>6 269</i>	<i>-27%</i>
<i>incl. goodwill</i>	<i>43 085</i>	<i>43 085</i>	<i>0%</i>
Current liabilities	18 635	18 945	-2%
Non-current liabilities	20 858	20 613	1%
Total liabilities	39 493	39 558	0%
<i>incl. borrowings</i>	<i>22 768</i>	<i>22 202</i>	<i>3%</i>
Equity	54 140	54 619	-1%

Financial ratios (%)	31.03.2021	31.12.2020	Change %
Equity ratio (%)	58%	58%	0%
Debt to equity ratio (%)	42%	41%	3%
Debt to capital ratio (%)	25%	23%	11%
Total debt/EBITDA ratio	3.07	3.17	-3%
Liquidity ratio	0.89	0.98	-8%

Sales revenue - media vs printing services segment Q1



EBITDA - media vs printing services segment Q1



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. The media segment also includes organisation of the technology and innovation conference Login in Lithuania, operation of the electronic ticket sales platform (bilesuparadize.lv) and ticket sales sites in Latvia 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			
	Q1 2021	Q1 2020	Change %	12 months 2020
Media segment	10 656	10 026	6%	43 728
<i>incl. revenue from all digital and online channels</i>	7 663	6 505	18%	30 963
<i>% of revenue from all digital and online channels</i>	72%	65%		71%
Printing services segment	4 908	6 243	-21%	21 384
Corporate functions	1 052	515	104%	2 761
Inter-segment eliminations	(1 326)	(1 082)		(4 629)
TOTAL GROUP	15 290	15 703	-3%	63 243
<i>% of revenue from all digital and online channels</i>	50%	41%		49%

(EUR thousand)	EBITDA			
	Q1 2021	Q1 2020	Change %	12 months 2020
Media segment	795	248	221%	6 601
Printing services segment	493	584	-16%	2 224
Corporate functions	(178)	(143)	-24%	(720)
Inter-segment eliminations*	(20)	(17)		(1 101)
TOTAL GROUP	1 089	671	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	Q1 2021	Q1 2020	12 months 2020
Media segment	7%	2%	15%
Printing services segment	10%	9%	10%
TOTAL GROUP	7%	4%	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 /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

- A new and revamped Delfi portal with a thorough technical and design upgrade was launched. The newspapers, Delfi Sport, Naistekas, Delfi TV, Delfi Tasku, Forte, Ärileht and many other webpages were also revamped.
- Ekspress Meedia launched the environment [Videoõps](#).
- Ekspress Meedia arranged in collaboration with the Estonian E-Commerce association a successful online event [Baltic E-commerce Forum](#).
- Ekspress Meedia launched major multimedia solutions:
 - ["What Kind of a City Animal Are You?"](#) in EPL
 - [Andalusia](#) in Anne ja Stil
 - [Discrimination of pension savers](#) in EPL
 - Delfi's [history](#)
 - [Test on words](#) in EPL
 - 10 years from [the Lebanon hostage crisis](#) in EPL
- Õhtuleht Kirjastus launched a digital newspaper [The Estonian Forest](#).

Latvia

- DELFI served as the main media partner for "Lielā Mūzikas balva" (Big music award);
- DELFI plus has launched a bundle offer with a family sharing option ideally for sharing great DELFI content between one family members.
- A 2nd year in a row DELFI in cooperation with Baltic Media Excellence Centre has launched its digital course for a young journalists #Storygram
- DELFI launched new daily broadcast "Spried ar DELFI" about the post essential event in politics and society.
- DELFI in cooperation with DDB launched e-commerce award. Up to now we got more than 200 applications.
- Several big editorial projects have been launched:
 - Article series about [Mars](#)
 - Article series about [one year after COVID-19 virus](#) was found in Latvia
 - Historical article series about [train crash in Riga](#)
 - Article series about [home-made alcohol](#)

Lithuania

- Delfi celebrated [21 years anniversary](#) in February.
- Renewed Delfi portal ["Business Perspective"](#) was launched, publishing information, discussions and exclusive interviews with executives and entrepreneurs who are creating the growing Lithuanian economy.
- Delfi celebrated [the milestone of 10 thousand digital subscribers](#).
- Delfi announced a new concept of online [Login conference](#).

In the 1st quarter of 2021, media segment revenue totalled EUR 10.7 million (1st quarter 2020: EUR 10.0 million). Revenue increased by 6% as compared to the 1st quarter of last year. Advertising revenue has demonstrated a strong recovery. 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.

Digital media is growing as expected. At the end of the 1st quarter of 2021, the Group's digital revenue accounted for 50% of total revenue and 72% of media segment revenue.

The EBITDA of the media segment in the 1st quarter of 2021 totalled EUR 0.8 million (1st quarter 2020: EUR 0.2 million). As compared to the 1st quarter of the previous year, EBITDA increased by 221%. This was positively impacted by cost savings carried out throughout the Group and strong sales of online advertising and digital subscriptions in all Baltic States.

In the 1st quarter of 2021, the Group entered the Estonian market with the ticket sales environment [Piletitasku](#).

In April, the Latvian outdoor media company SIA D Screens won the auction 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 procurement victory 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.

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 1st quarter of 2021, the revenue of Õhtuleht Kirjastus AS totalled EUR 3.3 million (1st quarter 2020: EUR 3.5 million).

DIGITAL SUBSCRIPTIONS

The number of digital subscriptions of the largest Baltic media group, AS Ekspress Grupp increased by 16% across all Baltic States in the 1st quarter of 2021 (74% year-over-year) and totalled 94 639 at the end of March.

- 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 19% in the 1st quarter and 65% year-over-year, totalling 59 183.
- The number of digital subscriptions of AS Õhtuleht, 50% of which is owned by Ekspress Grupp, increased by 9% in the 1st quarter and 30% year-over-year, totalling 15 005.
- 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 49% at the end of March.
- In Latvia, the number of digital subscriptions of Ekspress Grupp decreased by 5% in 1st quarter but doubled year-over-year, reaching 10 559 at the end of the 1st quarter. In Lithuania, the number of digital subscriptions totalled 9 892 at the end of the 1st quarter, increasing by 50% in a quarter and almost 6 times year-over-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 2021 is off to a good start in the market of digital subscriptions. Readers' interest in high-quality content has increased, as evidenced by the increasing number of digital subscriptions.

The Group has stayed ahead of our competitors while competition in digital subscriptions becomes more active. In the Baltics, Delfi holds a leadership position with its bundle package that provides access to a great number of media outlets run by Ekspress Meedia in Estonia.

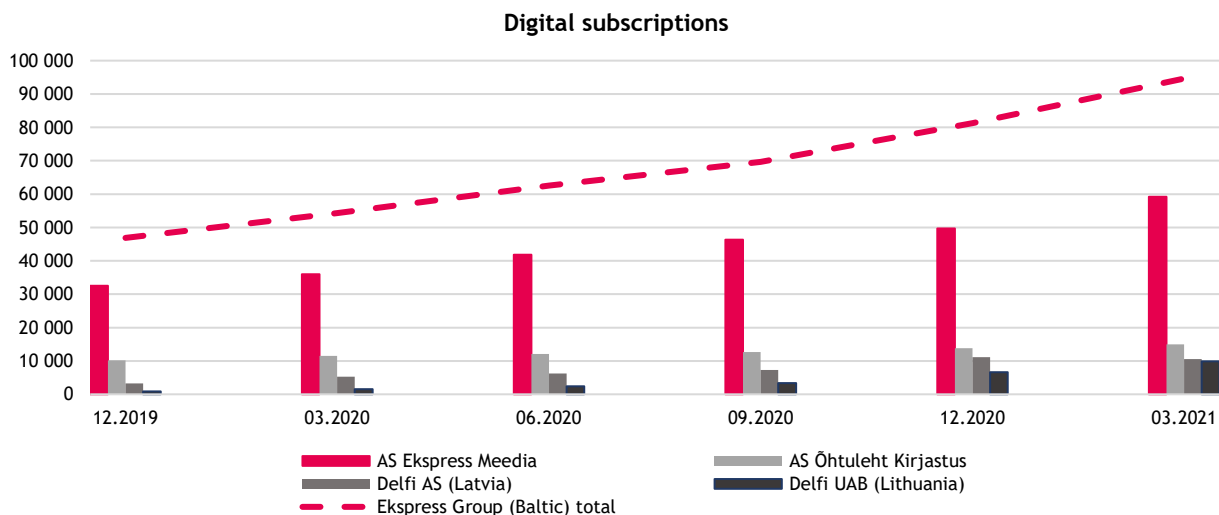
The decline in the number of subscriptions in Latvia in the 1st quarter is attributable to the restructuring of customer accounts under which the customers who previously had two different subscriptions were moved to a more extensive subscription bundle of Delfi + that includes several products.

The number of digital subscriptions in Lithuania increased by 50% as compared to the previous quarter and Lithuania continues to be a market showing faster growth.

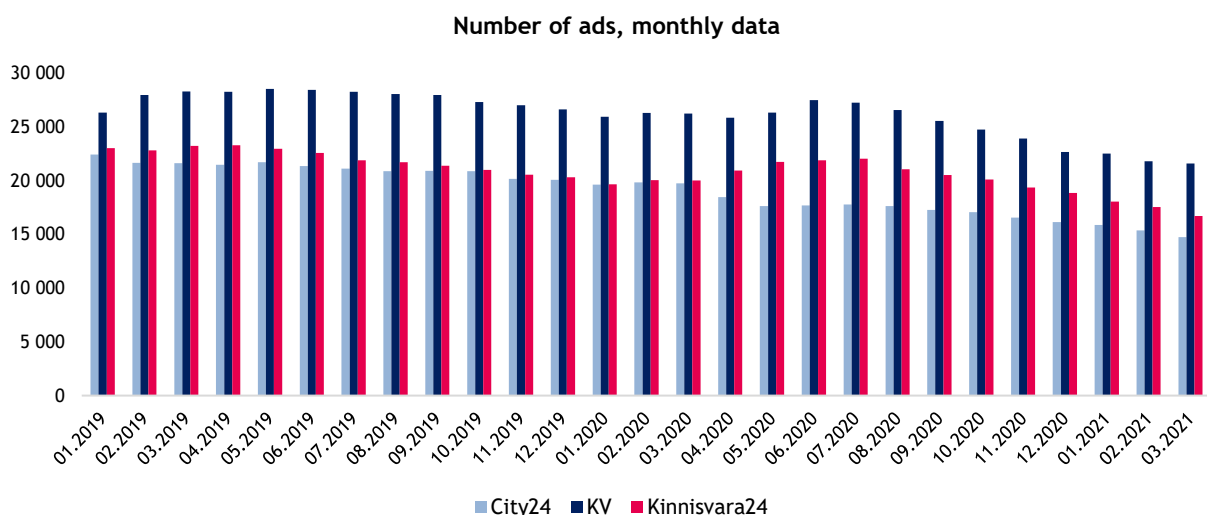
Ekspress Grupp has set the growth of digital subscriptions as one of its most important goals, as it provides the Group's media outlets with a differentiated and increasingly stronger digital revenue base.

Detailed overview of digital subscriptions:

(number of subscribers)	31.03.2021	31.12.2020	Change %	31.03.2020	Change %
AS Ekspress Meedia	59 183	49 696	19%	35 936	65%
AS Õhtuleht Kirjastus	15 005	13 820	9%	11 506	30%
Delfi AS (Latvia)	10 559	11 143	-5%	5 271	100%
Delfi UAB (Lithuania)	9 892	6 595	50%	1 565	532%
Ekspress Grupp total	94 639	81 254	16%	54 278	74%
Market total (Estonia)	149 980	126 601	18%	91 865	63%



REAL ESTATE PORTAL



In the 1st quarter of 2021, the real estate market was exceptionally active - the sales periods of properties have shrunk as compared to the 1st quarter of the previous year and demand exceeds supply for real estate properties. Strong demand for real estate and a shortage of new developments have led to the lowest number of classified ads in real estate portals. The shortage of new developments has emerged because the construction of some buildings

was suspended at the beginning of last year due to the coronavirus, and the effect is noticeable new. It will not change in the foreseeable future.

In the 1st quarter of 2021, Kinnisvara24.ee set a goal of becoming the market leader in terms of the number of new developments and it was attained in March 2021. New TV spots showing about a wide range of new developments and other advantages of the portal were launched. In two months, Kinnisvara24.ee had more than 5 000 searches and in January, Kinnisvara24.ee attained the highest ever number of unique visitors - a total of 452 986 unique visitors visited the Kinnisvara24.ee portal.

PRINTING SERVICES SEGMENT

In the 1st quarter of 2021, the revenue of AS Printall totalled EUR 4.9 million (1st quarter 2020: EUR 6.2 million). Revenue declined by 21% as compared to the 1st 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 1st quarter of 2021, EBITDA totalled EUR 0.49 million (1st quarter 2020: EUR 0.58 million), decreasing by 16%. However, the EBITDA margin increased to 10% in the 1st quarter of 2021 (1st quarter 2020: 9%).

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 1st quarter of 2021, the share of revenue outside Estonia was 61% (1st quarter 2020: 64%).

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.

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 1600 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 2021

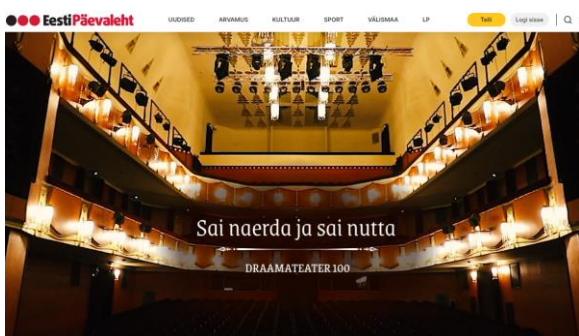
Estonia

In March 2021, the winners of the competition "Journalism Awards 2020" of the Estonian Association of Media Companies were announced. It included several employees and periodicals of Ekspress Grupp:

- The journalists of Ekspress Meedia received the three highest press awards granted by the Estonian Association of Media Companies. **Holger Roonemaa** from the investigative editorial staff of Ekspress Meedia was named as the journalist of the year, **Greete Lehepuu** from Eesti Ekspress was named as the young journalist and **Rein Raudvere** from Maaleht received the lifetime award.



- The winner of digital articles is the article published in Eesti Päevaleht "[We Could Laugh and Cry. The Drama Theatre 100](#)", written by Liisi Viskus, Imbi Võrel, Anna Plukk and Mart Nigola. The article looks back at the theatre's colourful past with exciting multi-media solutions.



- The winner of the feature article category was **Toivo Tänavsuu** for his article published in Eesti Ekspress on 12 February "[The Last Days of Agu Uudelepp: 'I Gathered All My Strength to Say Good-bye to my Children'](#)". Doctors told Agu Uudelepp who had lung cancer that his life expectancy would be one year, but he lived for four years. Tänavsuu wrote about what gave the head of the family so much strength and hope.

- In the category of opinion articles in national newspapers, **Ann-Marii Nergi** received the award for her article published in Eesti Päevalehe LP on 4 July "[JOURNALISTS' OPINION | Ann-Marii Nergi: A Prison Sentence for Covering a Court Hearing? Please Let Us Object!](#)", where she wrote about how journalists are excluded from important court hearings using a legal pretext which courts willingly use, and for the article published in Delfi Ärileht on 4 December titled "[The Victory of the Press. The Decision of the Riigikogu: It was a Mistake to Prohibit Coverage of the Hearings Related to the Port](#)", where she wrote that the Supreme Court agreed with Eesti Päevaleht in that the public interest in the court case of the Port of Tallinn and corruption crimes in general is always larger, therefore, the arguments for prohibiting them should be very substantial. After a year and half in various court instances, the Supreme Court also annulled the coverage prohibition related to the hearings of the Port of Tallinn.



- The winner of the major newspapers for coronavirus coverage is "[Tartu Corona Madman's Funny Adventures in Estonia](#)", published in Eesti Ekspress on 5 August which is a board game allowing one to travel through Estonia, infecting as many people as possible with the coronavirus. It was designed by **Tarmo Rajamets** and its illustrator is **Heiki Ernits**.



- The winner of the open group of major newspapers is **Tarmo Rajamets** for the article published in Eesti Ekspress on 25 March "["We'll Get a Pay Rise!](#)", The layout humorously referred to the pay rise. Of the major newspapers, the monetary top prize was awarded to the same page of Eesti Ekspress in the design competition.



- The winners of the 2020 investigative press award, the **Bonnier prize** were the articles published in Õhtuleht on how the Minister of Education at the time, **Mailis Reps** allowed [her children to be driven around at the taxpayer's expense](#). The authors of the articles published in Õhtuleht were **Stass Kuznetsov**, **Helen Mihelson**, **Risto Berendson** and **Robin Roots**.



- The award for the best feature photo was given to **Stanislav Moškov** from Õhtuleht for his photo series "["The National Ballet in Self-Isolation"](#)".



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 March 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 0.6 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 March 2021 according to the Estonian Central Register of Securities

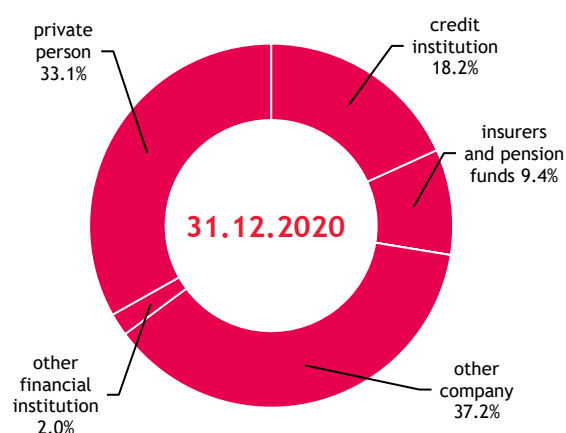
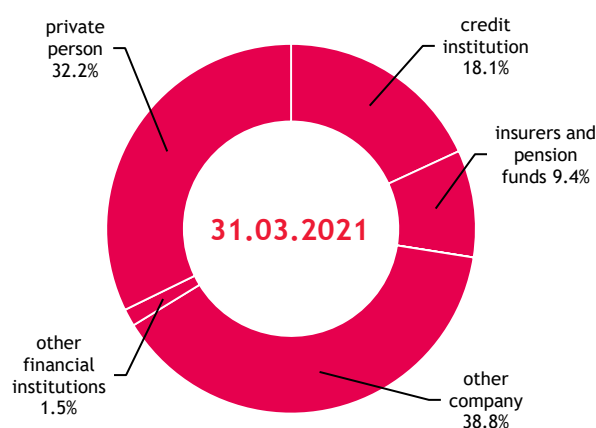
Name	Number of shares	%
Hans H. Luik and companies under his control	18 550 620	60.24%
<i>Hans H. Luik</i>	7 963 307	25.86%
<i>OÜ HHL Rühm</i>	10 587 313	34.38%
ING Luxembourg S.A.	4 002 052	13.00%
LHV Bank and funds managed by LHV Varahaldus	2 541 583	8.25%
Members of the Management Boards and their close relatives	108 909	0.35%
Other minority shareholders	5 024 319	16.31%
Treasury shares	569 358	1.85%
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 March 2021, the ownership interest of Hans H. Luik as the ultimate beneficiary of AS Ekspress Grupp is 56.11% (17 280 142 shares).

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

Category	31.03.2021		31.12.2020	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Private persons	3 203	9 925 807	2 996	10 206 842
Other companies	212	11 937 638	206	11 471 638
Other financial institutions	39	467 219	40	621 907
Credit institutions	12	5 576 184	12	5 606 461
Insurance and pension funds	7	2 889 574	7	2 889 574
Non-profit organisations	2	419	2	419
TOTAL	3 475	30 796 841	3 263	30 796 841



Geographical distribution of shareholders according to the Estonian Central Register of Securities

Country	31.03.2021		31.12.2020	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Estonia	3 428	25 843 491	3 219	25 820 834
Finland	12	36 791	12	35 773
Latvia	7	87 891	6	110 860
Lithuania	6	260 682	6	265 390
Germany	5	37 108	4	34 218
Luxembourg	3	4 147 511	3	4 147 511
Italy	2	1 607	2	1 607
Belgium	2	1 010	2	1 010
Denmark	2	101	2	101
United Kingdom	1	373 812	1	373 812
Sweden	1	2 536	1	3 167
Canada	1	1 000	1	1 000
Spain	1	757	1	757
United States	1	1 643	1	500
Ireland	1	201	1	201
Portugal	1	100	1	100
Australia	1	600	0	0
TOTAL	3 475	30 796 841	3 263	30 796 841

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, 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 2017-2021

Price (EUR)	Q1 2021	Q1 2020	Q1 2019	Q1 2018	Q1 2017
Opening price	0.79	0.83	1.03	1.26	1.32
Closing price	0.85	0.67	0.95	1.35	1.31
High	1.00	0.86	1.03	1.35	1.35
Low	0.77	0.61	0.90	1.22	1.26
Average	0.88	0.76	0.97	1.28	1.31
Traded shares, pieces	696 250	289 893	225 730	184 796	81 129
Sales, EUR million	0.61	0.22	0.22	0.24	0.11
Capitalisation at balance sheet date, EUR million	26.18	19.96	28.31	40.23	39.03

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 31 March 2021.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2017 until 31 March 2021.



CORPORATE GOVERNANCE

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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 March 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 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.

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, organises the management of the company and supervises 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 11 January 2021, the Supervisory Board of Ekspress Grupp has four 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 and the Audit Committee, in 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: 17 280 142 (56.11%).



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: -.



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 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: Priit 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 Grupp 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 Grupp has between one and five members. The Management Board of Ekspress Grupp 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 Majandusjuhtide 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 AS Ekspress Grupp's wholly-owned subsidiaries as of 31 March 2021 is shown below:

COMPANY*	SUPERVISORY BOARD	MANAGEMENT BOARD
Printall AS (11 141 312)	Hans Luik (chairman), Kaspar Hanni, Signe Kukin, Mari-Liis Rüütsalu	Andrus Takkin (chairman), Evali Mülts, Tõnis Peebo
Ekspress Meedia AS (13 442 451)	Hans Luik (chairman), Mari-Liis Rüütsalu, Kaspar Hanni, Signe Kukin	Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Karin Vene
Delfi UAB (3 958 148)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Vytautas Benokraitis
SIA Biļešu Paradīze** (380 376)	Mari-Liis Rüütsalu (chairman), Signe Kukin, Konstantīns Kuzikovs	Jānis Kuzulis (chairman), Jānis Daube
Delfi A/S (Lāti) (3 273 185)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Konstantīns 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 March 2021 is shown in parentheses.

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

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Consolidated balance sheet (unaudited)

(EUR thousand)	31.03.2021	31.12.2020
ASSETS		
Current assets		
Cash and cash equivalents	4 571	6 269
Trade and other receivables	9 269	9 450
Corporate income tax prepayment	85	7
Inventories	2 746	2 756
Total current assets	16 671	18 482
Non-current assets		
Other receivables and investments	949	982
Deferred tax asset	30	30
Investments in joint ventures	1 676	1 661
Investments in associates	2 339	2 253
Property, plant and equipment (Note 4)	15 286	14 134
Intangible assets (Note 4)	56 682	56 635
Total non-current assets	76 962	75 696
TOTAL ASSETS	93 633	94 177
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	3 695	3 613
Trade and other payables	14 863	15 251
Corporate income tax payable	76	81
Total current liabilities	18 635	18 945
Non-current liabilities		
Long-term borrowings (Note 6)	19 073	18 589
Other long-term liabilities	1 785	2 025
Total non-current liabilities	20 858	20 613
TOTAL LIABILITIES	39 493	39 558
EQUITY		
Minority interest	127	126
Capital and reserves attributable to equity holders of parent company:		
Share capital (Note 10)	18 478	18 478
Share premium	14 277	14 277
Treasury shares (Note 10)	(420)	(209)
Reserves (Note 10)	1 768	1 758
Retained earnings	19 910	20 189
Total capital and reserves attributable to equity holders of parent company	54 013	54 493
TOTAL EQUITY	54 140	54 619
TOTAL LIABILITIES AND EQUITY	93 633	94 177

The Notes presented on pages 37-48 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q1 2021	Q1 2020	12 months 2020
Sales	15 290	15 703	63 243
Cost of sales	(12 747)	(13 472)	(50 637)
Gross profit	2 544	2 230	12 607
Other income	107	84	2 040
Marketing expenses	(596)	(757)	(2 701)
Administrative expenses	(2 025)	(1 893)	(7 532)
Other expenses	(26)	(24)	(1 336)
Operating profit /(loss)	4	(359)	3 078
Interest income	9	6	28
Interest expenses	(211)	(224)	(877)
Other finance income/(costs)	11	(16)	614
Net finance cost	(191)	(234)	(235)
Profit/(loss) on shares of joint ventures	(107)	(127)	102
Profit/(loss) on shares of associates	35	(20)	(129)
Profit /(loss) before income tax	(259)	(740)	2 816
Income tax expense	(5)	(2)	(280)
Net profit /(loss) for the reporting period	(264)	(742)	2 536
Net profit /(loss) for the reporting period attributable to			
Equity holders of the parent company	(265)	(743)	2 510
Minority interest	1	1	26
Total comprehensive income /(loss)	(264)	(742)	2 536
Comprehensive income /(loss) for the reporting period attributable to			
Equity holders of the parent company	(265)	(743)	2 510
Minority interest	1	1	26
Basic earnings per share (Note 8)	(0.01)	(0.02)	0.08
Diluted earnings per share (Note 8)	(0.01)	(0.02)	0.08

The Notes presented on pages 37-48 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					Total	Minority interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings			
Balance on 31.12.2019	17 878	14 277	(22)	1 688	17 701	51 522	100	51 622
Net profit / (loss) for the reporting period	0	0	0	0	(743)	(743)	1	(742)
<i>Total comprehensive income / (loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(743)</i>	<i>(743)</i>	<i>1</i>	<i>(742)</i>
Balance on 31.03.2020	17 878	14 277	(22)	1 688	16 958	50 779	101	50 880
Balance on 31.12.2020	18 478	14 277	(209)	1 758	20 189	54 493	126	54 619
Purchase of treasury shares	0	0	(422)	0	0	(422)	0	(422)
Share options	0	0	211	10	(14)	207	0	207
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>(211)</i>	<i>10</i>	<i>(14)</i>	<i>(215)</i>	<i>0</i>	<i>(215)</i>
Net profit / (loss) for the reporting period	0	0	0	0	(265)	(265)	1	(264)
<i>Total comprehensive income / (loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(265)</i>	<i>(265)</i>	<i>1</i>	<i>(264)</i>
Balance on 31.03.2021	18 478	14 277	(420)	1 768	19 910	54 013	127	54 140

The Notes presented on pages 37-48 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	Q1 2021	Q1 2020
Cash flows from operating activities		
Operating profit for the reporting year	4	(359)
<u>Adjustments for:</u>		
Depreciation and amortisation (Note 4)	1 111	1 039
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	(1)	0
Change in value of share option	10	0
Cash flows from operating activities:		
Trade and other receivables	192	1 588
Inventories	10	(213)
Trade and other payables	(573)	(308)
Cash generated from operations		
Income tax paid	(88)	(93)
Interest paid	(128)	(127)
Net cash generated from operating activities	536	1 526
Cash flows from investing activities		
Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees	(80)	(84)
Receipts of other investments	51	0
Interest received	2	1
Purchase of property, plant and equipment and intangible assets (Note 4)	(628)	(610)
Proceeds from sale of property, plant and equipment and intangible assets	1	1
Loans granted	(40)	(59)
Net cash used in investing activities	(696)	(752)
Cash flows from financing activities		
Payment of lease liabilities	(498)	(310)
Change in overdraft	0	(25)
Loans received / Repayments of bank loans (Note 6)	(618)	(562)
Purchases of treasury shares	(422)	0
Net cash used in financing activities	(1 537)	(897)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	6 269	3 647
Cash and cash equivalents at the end of the period	4 571	3 524

The Notes presented on pages 37-48 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 April 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 31.03.2021	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 Ekraani SIA	Subsidiary	100%	100%	Currently dormant	Latvia
Babahn 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 1st quarter ended on 31 March 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 1st quarter 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.

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.

Cash and bank accounts (incl. deposits) by credit ratings of the banks they are held at

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 of 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. Subsidiaries in Estonia 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 Krediidinfo and other similar databases. At the beginning clients' payment behaviour will be monitored with heightened interest. 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, in particular 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	31.03.2021 (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	9 527	0	11 928
	6.00%	Notes	0	0	5 000	5 000
	6-month Euribor + 1.78-2.50%	Lease liability	1 294	4 546	0	5 841
	1-month Euribor + 1.9%	Overdraft	0	0	0	0

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%+2.60%-3.90%	Loan	2 401	10 144	0	12 545
	6.00%	Notes	0	0	5 000	5 000
	6-month Euribor + 1.78-2.50%	Lease liability	1 212	3 445	0	4 657
	1-month Euribor + 1.9%	Overdraft	0	0	0	0

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 2021, ca 1% (2020: 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 March 2021, the Group's foreign currency risk related to USD was EUR 160 thousand and to other currencies (SEK, NOK), EUR 18 thousand.

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.

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 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)	31.03.2021	31.12.2020
Interest-bearing debt	22 768	22 202
Cash and bank accounts	4 571	6 269
Net debt	18 197	15 933
Equity	54 140	54 619
Total capital	72 337	70 552
Debt to capital ratio	25%	23%
Total assets	93 633	94 177
Equity ratio	58%	58%

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

(EUR thousand)	Property, plant and equipment		Intangible assets	
	Q1 2021	Q1 2020	Q1 2021	Q1 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*	1 861	726	449	319
Write-down, write-off and impairment of non-current assets	0	0	(1)	0
Reclassification	40	(1)	(40)	0
Depreciation and amortisation	(749)	(656)	(361)	(383)
Balance at end of the period				
Cost	44 538	42 260	77 485	76 290
Accumulated depreciation and amortisation	(29 253)	(27 248)	(20 803)	(19 985)
Carrying amount	15 286	15 012	56 682	56 305

* Acquisition and improvements of property, plant and equipment in the 1st quarter of 2021 include the recognition of right of use leased assets in the amount of EUR 1332 thousand according to the accounting standard IFRS 16 "Leases".

Note 5. Intangible assets

Intangible assets by type

(EUR thousand)	31.03.2021	31.12.2020
Goodwill	43 085	43 085
Trademarks	8 645	8 733
Other intangible assets	4 953	4 817
Total intangible assets	56 682	56 635

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 31.03.2021				
Overdraft	0	0	0	0
Long-term bank loans	11 928	2 401	9 527	0
Notes	5 000	0	0	5 000
Lease liability	5 841	1 294	4 546	0
Total	22 768	3 695	14 073	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 2020, 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.

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), 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.

Q1 2021 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers	10 640	4 314	337	0	15 290
Inter-segment sales	16	595	715	(1 326)	0
Total segment sales	10 656	4 908	1 052	(1 326)	15 290
EBITDA	795	493	(178)	(20)	1 089
EBITDA margin	7%	10%			7%
Depreciation (Note 4)					1 111
Operating profit /(loss)					4
Investments (Note 4)					2 311

Q1 2020 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers	10 005	5 613	85	0	15 703
Inter-segment sales	21	630	431	(1 082)	0
Total segment sales	10 026	6 243	515	(1 082)	15 703
EBITDA	248	584	(143)	(17)	671
EBITDA margin	2%	9%			4%
Depreciation (Note 4)					1 039
Operating profit /(loss)					(359)
Investments (Note 4)					1 045

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	Q1 2021	Q1 2020
Profit attributable to equity holders	(265 435)	(743 284)
Average number of ordinary shares at the end of the period	30 135 920	29 779 314
Number of ordinary shares potentially issued at the end of the period	1 183 012	0
Basic earnings per share	(0.01)	(0.02)
Diluted earnings per share	(0.01)	(0.02)

Note 9. 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.

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.

In the 1st quarter of 2021, within the framework of the share option plan the option owners were transferred 293 thousand shares. As a result, the balance of treasury shares decreased by EUR 211 thousand, of which EUR 197 thousand was covered from the option liability and the retained earnings were decreased by EUR 14 thousand.

In November 2020, 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 31st March 2021 the company has bought back 521 thousand shares.

By 31 March 2021, the balance of issued options of the share option plan approved in 2017 was 154 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.

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 March 2021, the remaining liability of the mentioned stock option amounted to EUR 97 thousand (31.12.2020: EUR 289 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.

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 31.03.2021 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 31.03.2021 this reserve totalled EUR 10 thousand (31.12.2020 EUR 0).

For finding the fair value of the share option upon the issuing of the option, the Black-Scholes-Merton model was used. The assumptions used in the model were as follows: share price at the time of issuing the option: 0.67-0.89 euros, strike price: 0.60 euros, dividend rate: 0 euros per share, risk-free rate 0.01%, option term: 3 years.

Note 10. Equity and dividends

Share capital

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 March 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 0.6 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.

In the 1st quarter of 2021, within the framework of the share option plan the option owners were transferred 292 762 shares. As a result, the balance of treasury shares decreased by EUR 211 thousand, of which EUR 197 thousand was covered from the option liability and the retained earnings were decreased by EUR 14 thousand.

In the 1st quarter of 2021 the company has bought back 520 699 shares in the amount of EUR 422 thousand.

As of 31 March 2021, the Company had 569 358 treasury shares (31.12.2020: 341 421) in the total amount of EUR 420 thousand (31.12.2020: EUR 209 thousand) to be used for the current share option plan.

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 March 2021, 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	
	31.03.2021	31.12.2020
Statutory reserve capital	1 119	1 119
Additional cash contribution from shareholder	639	639
Share option reserve	10	0
Total reserves	1 768	1 758

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)	Q1 2021	Q1 2020
Sale of services		
Members of Supervisory Board and companies related to them	1	1
Associates	38	41
Joint ventures	563	307
Total sale of services	602	349

PURCHASES (EUR thousand)	Q1 2021	Q1 2020
Purchase of services		
Members of Supervisory Board and companies related to them	100	104
Members of Management Board and companies related to them	4	5
Associates	9	11
Joint ventures	467	255
Total purchases of services	581	375

RECEIVABLES (EUR thousand)	31.03.2021	31.12.2020
Short-term receivables		
Members of Management Board and companies related to them	0	1
Associates	88	83
Joint ventures	248	218
Total short-term receivables	337	302
Long-term receivables		
Associates	92	103
Total long-term receivables	92	103
Total receivables	429	405

LIABILITIES (EUR thousand)	31.03.2021	31.12.2020
Current liabilities		
Members of Supervisory Board and companies related to them	5	8
Members of Management Board and companies related to them	2	1
Associates	5	0
Joint ventures	340	197
Total liabilities	352	206

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 1st quarter of 2021, a payment of EUR 15 thousand (1st quarter 2020: EUR 15 thousand) was paid for the personal guarantee and there are no outstanding liabilities as of 31 March 2021 and 31 December 2020.

Remuneration of members of the Management Boards of the consolidation group

(EUR thousand)	Q1 2021	Q1 2020
Salaries and other benefits (without social tax)	655	542
Share option	8	(10)
Total (without social tax)	663	532

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 March 2021, the maximum gross amount of potential Key Management termination benefits was EUR 763 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 12. 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.