



AS EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT
FOR THE FIRST QUARTER OF 2022

January - March
unaudited

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MANAGEMENT REPORT

SUMMARY OF RESULTS

Q1 2022 in comparison with Q1 2021 (continuing operations):

- Sales revenue EUR 13.4 million (EUR 11.0 million) +22%
- The share of digital revenue of group's revenue 78% (70%)
- Digital subscriptions in Baltics 146 thousand (97 thousand) +50%
- EBITDA EUR 0.62 million (EUR 0.60 million) +3%
- Net loss EUR -0.51 million (EUR -0.45 million)
- Earnings per share EUR -0.02 (EUR -0.01)

MANAGEMENT'S COMMENTS

In the 1st quarter of 2022, the revenue of AS Ekspress Grupp increased by 22% to EUR 13.4 million and EBITDA increased by 3% to EUR 0.62 million. Due to the seasonality of the Group's business, as expected the Group's net loss in the 1st quarter of 2022 totalled EUR 0.51 million. Digital revenue contributed 78% to the Group's total revenue at the end of March. Digital revenue increased by 36% as compared to the same period last year.

The Group's performance in the 1st quarter met expectations: the consolidated revenue totalled EUR 13.4 million (1st quarter 2021: EUR 11.0 million), increasing by 22% as compared to the previous year. Revenue growth in the 1st quarter was primarily attributable to the growth in online advertising and digital subscription revenue. The total advertising market has not changed substantially in terms of its size as compared to the previous year, but the online advertising market has continued to grow as compared to traditional media channels. Revenue growth was as expected but it was still negatively impacted by Russia's offensive in Ukraine due to which several planned campaigns were postponed by advertising customers, primarily in Lithuania and Latvia. The wider impact of the war on the economies of the Baltic States is currently difficult to predict. The revenue of Geenius Meedia that was acquired at the end of 2021 totalled EUR 0.5 million in the 1st quarter, i.e. contributing ca 5% to the Group's sales.

The number of the digital subscriptions of AS Ekspress Grupp increased by 50% by the end of March 2022 as compared to the same period last year and totalled 146 thousand. Õhtuleht and Delfi Lithuania demonstrated the strongest growth. The growth of digital subscriptions also met expectations, but the number of subscribers increased at the end of February, because during turbulent times in the world, the readers are more interested in high-quality and objective journalism.

**146k digital
subscriptions
(+50%)**

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 0.62 million in the 1st quarter which is 3% more as compared to the same period in 2021. Due to the seasonality of the business, the Group incurred a net loss of EUR 0.51 million in the 1st quarter. In the 1st quarter, the financial aid to Ukraine in the amount of EUR 0.09 million was recognised as a one-off expense. Operating expenses increased by EUR 2.54 million (22%) in the 1st quarter of which staff costs made up EUR 1.78 million (29%). In the 1st quarter, the number of employees increased by 18%, i.e. by 132 people, 46 employees of whom came from OÜ Geenius Meedia acquired at the end of 2021 and 86 employees from other media companies in Estonia, Latvia and Lithuania. In addition to the pressure on wages due to the general price inflation, the employee-related cost base has increased on account of additional expenditures of the editorial offices covering the warfare in Ukraine.

Due to the military operation launched in Ukraine on 24 February, the editorial offices in all our media companies are working 24/7. This will put enormous pressure on the work of the editorial offices as well as journalists. Our editorial offices are used to covering crises, and their work was reorganised quickly and efficiently. Special Russian language portals targeting Ukrainian refugees were launched operatively in Estonia, Latvia and Lithuania. The real estate portal [Kinnisvara24.ee](https://kinnisvara24.ee) that is co-owned by Ekspress Grupp developed as special real estate environment at the request of the Ministry of Social Affairs for the refugees who wish to find accommodation, and for the people of Estonia who wish to advertise accommodation for the Ukrainian refugees.

At the beginning of March, AS Ekspress Grupp, AS Postimees Grupp and AS Eesti Post operating under the trademark of Omniva concluded a contract, according to which Omniva will acquire all shares of AS Express Post from the media houses. Before entry into force, the transaction needs to be approved by the Estonia Competition Authority that has up to 5 months to develop a position. The operations of several parallel home delivery networks are getting more complicated in Estonia each year, despite continuous improvements of efficiency in both delivery organisations and state subsidies in rural areas. The Group is keen on offering affordable newspaper subscriptions for as long as possible, and in a country the size of Estonia, the merger of postal companies is the only possible outcome. As a result of the merger of Express Post and Omniva, a larger and stronger postal organisation will be established, from which all parties will gain, primarily the subscribers of newspapers and magazines.

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 digital subscriptions, user time spent and number of real users)
- Maintain our quality paper-based media products for the audiences who value this format
- To act with social responsibility in mind and build strong and trusted brands
- 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 the digital media segment, we are implementing a strategy of rapid growth, the goals of which are market development and at the same time increasing market share. In the printed media, we monitor cost efficiency and offer the highest quality journalism in the market. The Group is strengthening its existing core businesses with investments in organic growth and also increases the share of digital revenues through other digital businesses that potentially offer good synergies with the media. The growth of both the media and the supporting digital businesses is supported by financially optimal distribution of investments, moderate use of leverage and dividend policy that takes into account the growth objectives.

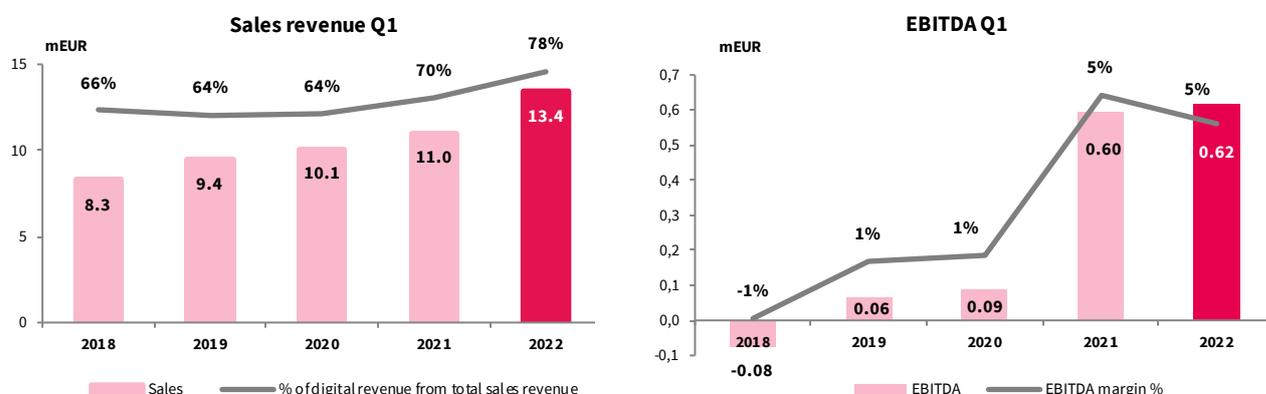
To implement the Group's strategy, our goal remains production of award-winning content valued by our readers and media experts alike while being a leading digital publisher in the Baltic States both in terms of digital subscriptions, the time spent online and the number of actual users. We wish to continue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

The Group's long-term strategic financial targets set by the Supervisory Board are related to business growth, digitalisation, profitability, and ability to pay dividends. The targets are based on the changes in the operating environment, the competitive landscape, and the progress of the transformation strategy.

Ekspress Grupp long-term strategic financial targets

Target by end of 2026	2026 target	2021 actual
Digital subscriptions in Baltics	>340 000	134 947
Share of digital revenues	>85%	76%
EBITDA margin	>15%	15%
Dividend pay-out rate	30%	37%

Q1 RESULTS



REVENUE

In the 1st quarter of 2022, the consolidated revenue totalled EUR 13.4 million (1st quarter 2021: EUR 11.0 million). Revenue increased by 22% year-over-year in the 1st quarter. Both online advertising as well as digital subscriptions revenue contributed to this growth. The share of the Group's digital revenue in the total revenue was 78% at the end of the 1st quarter of 2022 (at the end of the 1st quarter 2021: 70% of total revenue). Digital revenue increased by 36% as compared to the same period last year.

PROFITABILITY

In the 1st quarter of 2022, the consolidated EBITDA totalled EUR 0.62 million (1st quarter 2021: EUR 0.60 million). In the 1st quarter of 2022, EBITDA increased by 3% as compared to the previous year and the EBITDA margin was 5% (1st quarter 2021: 5%). In the 1st quarter of 2022, the consolidated net loss totalled EUR -0.51 million (1st quarter 2021: EUR -0.45 million).

EXPENSES

In the 1st quarter of 2022, the cost of goods sold, marketing, and general and administrative costs totalled EUR 13.84 million (1st quarter 2021: EUR 11.30 million). In the 1st quarter of 2022, operating expenses increased by EUR 2.54 million (22%), of which staff costs were EUR 1.78 million (29%). In the 1st quarter of 2022, the number of employees increased by 18% (+132 employees, incl. 46 employees from the acquisition of OÜ Geenius Meedia at the end of 2021 and 86 employees from other media companies in Estonia, Latvia and Lithuania). In addition to the pressure on wages due to the general price inflation, the employee-related cost base has increased on account of additional expenditures of the editorial offices covering the warfare in Ukraine.

In the 1st quarter, the financial aid to Ukraine in the amount of EUR 0.09 million was recognised as a one-off expense.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 8.9 million and equity in the amount of EUR 53.2 million (57% of total assets). The comparable data as of 31 March 2021, including the printing services segment, were EUR 4.6 million and EUR 54.1 million (58% of total assets), respectively. As of 31 March 2022, the Group's net debt was EUR 12.7 million (31 December 2021: EUR 11.3 million).

In the 1st quarter of 2022, the Group's cash flows from operating activities totalled EUR 0.54 million (1st quarter 2021: EUR 0.54 million, incl. printing services segment).

In the 1st quarter of 2022, the Group's cash flows from investing activities totalled EUR -1.80 million (1st quarter 2021: EUR -0.70 million), of which EUR -1,63 million was related to development and acquisition of property, plant and equipment and

intangible assets, indicating higher investments in products and technologies. In the 1st quarter, the Group invested EUR -1.18 million in new LED screens, partly to be funded with a finance lease in the 2nd and 3rd quarter of 2022.

In the 1st quarter of 2022, the Group's cash flows from financing activities totalled EUR -0.82 million (1st quarter 2021: EUR -1.54 million). Financing activities were primarily related to the net changes in borrowings and principal payments of the lease liability, where the changes made to SEB loan contracts entered into in summer 2021 had a positive impact. In the 1st quarter of 2021, treasury shares were purchased in the amount of EUR 0.42 million.

DIVIDENDS

In February 2022, the Management Board of the Group made a proposal to the shareholders to distribute dividends from the net profit of 2021 in the amount of 5 euro cents per share, i.e. in the total amount of EUR 1.51 million. As of 28.04.2022, the shareholders Hans Luik and HHL Rühm OÜ have submitted a new draft resolution to pay dividends of 8 euro cents per share, i.e. in the total amount of EUR 2.42 million. The decision on dividend distribution will be made at the General Meeting of Shareholders on 2 May 2022.

FINANCIAL INDICATORS AND RATIOS

Performance indicators (EUR thousand)	Q1 2022	Q1 2021	Change %	12 months 2021
Continuing operations				
For the period				
Sales revenue	13 426	11 002	22%	53 516
EBITDA	616	596	3%	8 240
EBITDA margin (%)	4.6%	5.4%		15.4%
Operating profit /(loss)	(332)	(211)	-57%	4 864
<i>Operating margin (%)</i>	-2.5%	-1.9%		9.1%
Interest expenses	(169)	(181)	7%	(709)
Profit /(loss) of joint ventures under the equity method	(133)	(107)	-25%	(281)
Net profit /(loss) from continuing operations	(512)	(445)	-15%	4 133
Net margin (%) - continuing operations	-3.8%	-4.0%		7.7%
<i>Return on assets (ROA) (%)</i>	2.2%	3.2%		2.4%
<i>Return on equity (ROE) (%)</i>	3.7%	5.7%		4.1%
Earnings per share (euro) - continuing operations				
Basic earnings per share	(0.02)	(0.01)		0.14
Diluted earnings per share	(0.02)	(0.01)		0.13

Balance sheet (EUR thousand)	31.03.2022	31.12.2021	Change %
As of the end of the period			
Current assets	18 787	20 553	-9%
Non-current assets	74 801	73 705	1%
Total assets	93 587	94 258	-1%
<i>incl. cash and cash equivalents</i>	8 878	10 962	-19%
<i>incl. goodwill</i>	45 701	45 576	0%
Current liabilities	20 913	20 947	0%
Non-current liabilities	19 447	19 619	-1%
Total liabilities	40 361	40 566	-1%
<i>incl. borrowings</i>	21 601	22 219	-3%
Equity	53 227	53 692	-1%
Net debt	12 723	11 257	13%
Total capital	65 950	64 950	2%

Financial ratios (%)	31.03.2022	31.12.2021	Change %
Equity ratio (%)	57%	57%	0%
Debt to equity ratio (%)	41%	41%	0%
Debt to capital ratio (%)	19%	17%	11%
Total debt/EBITDA ratio	2.62	2.70	-3%
Liquidity ratio	0.90	0.98	-8%

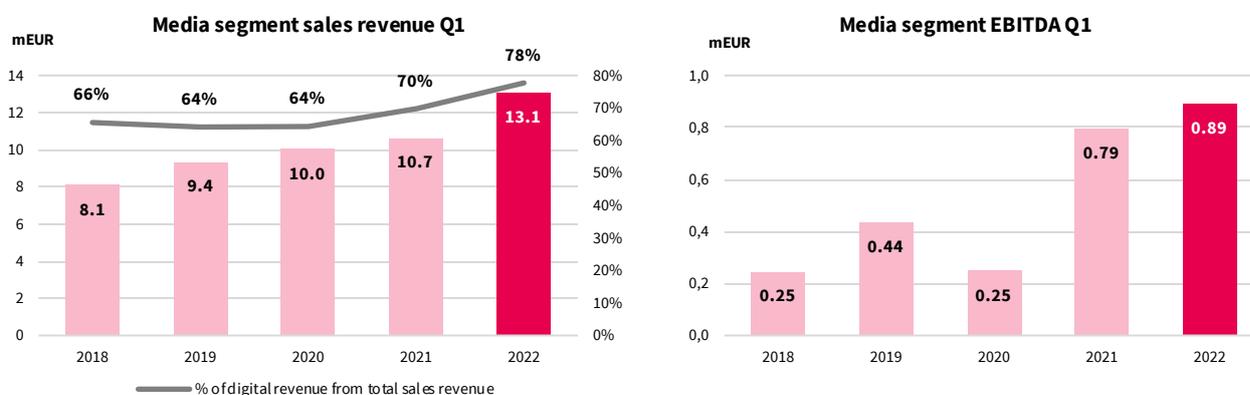
Formulas used to calculate the financial ratios

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 (%) - continuing operations	Net profit from continuing operations in financial statements/sales x100
Earnings per share	Net profit attributable to owners of the parent / weighted average number of ordinary shares outstanding during the period
Diluted earnings per share	Net profit attributable to owners of the parent / (weighted average number of ordinary shares outstanding during the period + number of all potentially issued shares)
Equity ratio (%)	Equity/ (liabilities + equity) x100
Debt to equity ratio (%)	Interest bearing liabilities /equity x 100
Debt to capital ratio (%)	Interest bearing liabilities – cash and cash equivalents (net debt) /(net debt +equity) x 100
Total debt/EBITDA ratio	Interest bearing borrowings /trailing twelve months EBITDA
Liquidity ratio	Current assets / current liabilities
Return on assets ROA (%)	Trailing twelve months net profit /average assets x 100
Return on equity ROE (%)	Trailing twelve months net profit /average equity x100

Due to the disposal of the 100% holding in the subsidiary Printall AS in September 2021, the printing services segment is recognised as a discontinued operation in the consolidated financial statements. The revenue and expenses of the discontinued operation are shown in a separated line of the consolidated statement of comprehensive income “Gain/loss from discontinued operation”.

SEGMENT OVERVIEW

Starting from September 2021, the Group is operating only in one continuing business area - the media segment.



Key financial indicators for segments

(EUR thousand)	Sales			
	Q1 2022	Q1 2021	Change %	12 months 2021
Media segment	13 081	10 656	23%	52 093
<i>incl. revenue from all digital and online channels</i>	<i>10 434</i>	<i>7 663</i>	<i>36%</i>	<i>40 453</i>
<i>% of revenue from all digital and online channels</i>	<i>80%</i>	<i>72%</i>		<i>78%</i>
Corporate functions	1 092	1 052	4%	4 118
Inter-segment eliminations	(747)	(706)		(2 695)
TOTAL GROUP	13 426	11 002	22%	53 516
<i>% of revenue from all digital and online channels</i>	<i>78%</i>	<i>70%</i>		<i>76%</i>

(EUR thousand)	EBITDA			
	Q1 2022	Q1 2021	Change %	12 months 2021
Media segment	893	795	12%	8 927
Corporate functions	(230)	(179)	-29%	(669)
Inter-segment eliminations	(46)	(20)		(18)
TOTAL GROUP	616	596	3%	8 240

EBITDA margin	Q1 2022	Q1 2021	12 months 2021
	Media segment	7%	7%
TOTAL GROUP	5%	5%	15%

MEDIA SEGMENT

In the 1st quarter of 2022, media segment revenue totalled EUR 13.1 million (1st quarter 2021: EUR 10.7 million). Revenue increased by 23% as compared to the 1st quarter last year. The revenue growth in the 1st quarter is primarily attributable to the growth in online advertising and digital subscriptions. In terms of the total size, the advertising market has not significantly changed as compared to the same period last year. It is the online advertising market that has continued to grow as opposed to traditional media channels. In the 1st quarter, revenue growth was strong as compared to the previous year, but it has been still negatively impacted by the war Ukraine due to which several planned campaigns were postponed by advertising customers.

In the 1st quarter of 2022, the Group's digital revenue contributed 78% to total revenue.

The Latvian ticket sales business has been under various operational restrictions for almost two years. Since 1 March 2022, the Covid-19-related restrictions were eased and indoor events for up to 1000 visitors were allowed to be organised. The change had a positive impact on the revenue of the Latvian ticket business. However, in terms of the revenue for the 1st quarter of 2022, the business is still under moderate pressure as compared to the pre-Covid-19 period. From 1 April 2022, all restrictions were lifted in Latvia, which gives a good starting point to organise events at least in the summer months and in the period before the start of a new potential coronavirus wave.

Starting from April 2021, the Group entered the Estonian market with the ticket sales platform [Piletitasku](#) in Estonia. With the expansion of the ticket sales business into Estonia, the Group will continue its current strategy, the purpose of which is to increase the share of digital revenue, and identify synergies between new business lines and existing media activities. We wish to provide the most convenient platform both for ticket buyers as well as event organisers. The platform was well received in 2021 and the Group will continue its strategy and increase its market share in 2022.

The Latvian outdoor media company SIA D Screens that won the public tender in 2021 granting it the right to rent the real estate properties owned by the City of Riga, will actively continue development of the outdoor screen network. The contract enables the company to expand its network to more than 100 screens and participate in the market with both large and small screen networks that cover the most important roads in Riga. New screens will be installed by end of 2022. Until the setup of new screens, the cost base of the Latvian outdoor media company will be impacted by the rent payable to the City of Riga which in the 1st quarter of 2022 totalled EUR 0.05 million.

In December 2021, the Group acquired a 100% ownership interest in the media company Geenius Meedia OÜ. The purpose of the acquisition is to grow the digital media business and expand into a niche which the Group's periodicals do not yet cover. The revenue of Geenius Meedia in the 1st quarter of 2022 was EUR 0.5 million.

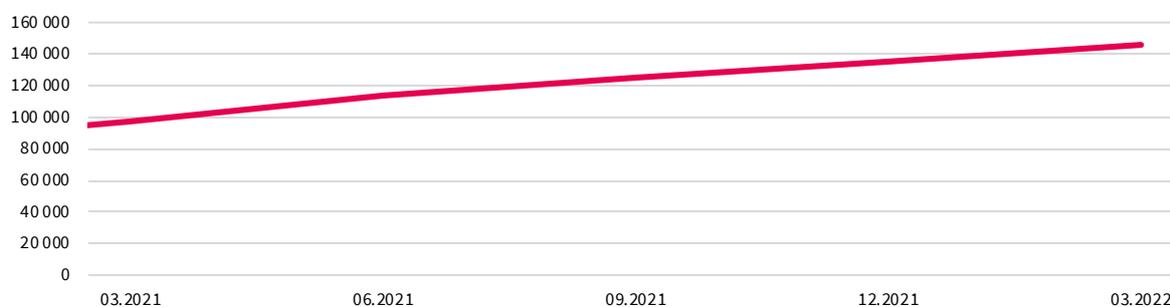
The joint venture Õhtuleht Kirjastus AS, a key media company on the Estonian market is recognised under the equity method and included as one line item within finance income in the Group's results. In the 1st quarter of 2022, the revenue of Õhtuleht Kirjastus AS totalled EUR 3.4 million (1st quarter 2021: EUR 3.3 million).

DIGITAL SUBSCRIPTIONS

Detailed overview of digital subscriptions:

(number of subscriptions)	31.03.2022	31.12.2021	change	31.03.2021	change
AS Ekspress Meedia	78 799	74 873	5%	59 183	33%
AS Õhtuleht Kirjastus	23 935	20 992	14%	15 005	60%
Geenius Meedia OÜ	4 461	4 100	9%	2 755	62%
Estonia total	107 195	99 965	7%	76 943	39%
Delfi AS (Latvia)	18 060	17 549	3%	10 559	71%
Delfi UAB (Lithuania)	20 550	17 433	18%	9 892	108%
Ekspress Grupp total	145 805	134 947	8%	97 394	50%

Digital subscriptions (group total)



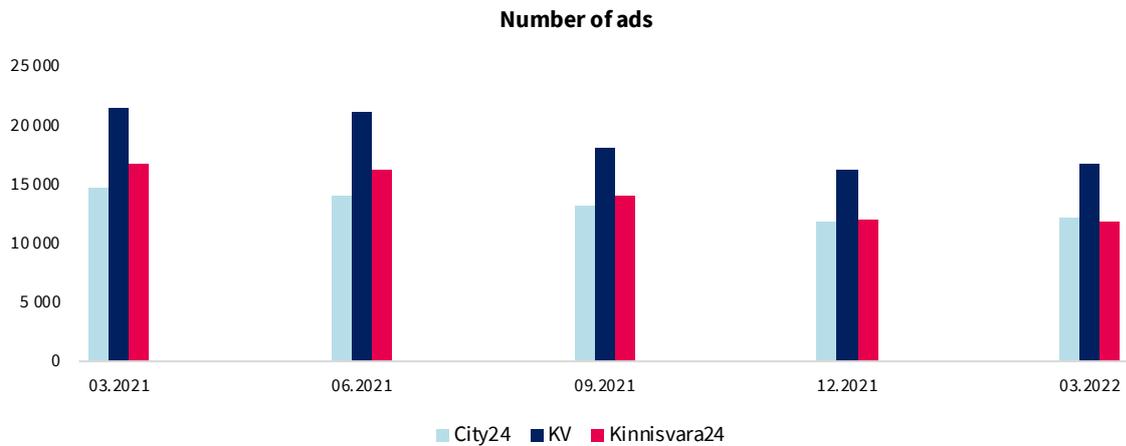
The number of digital subscriptions of AS Ekspress Grupp increased by 50% year-over-year in the Baltic States (8% in the 1st quarter) and totalled 145 805 at the end of March.

- 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 33% year-over-year (5% in the 1st quarter) and totalled 78 799.
- The number of digital subscriptions of AS Õhtuleht, 50% of which is owned by Ekspress Grupp, increased by 60% year-over-year (14% in the 1st quarter) and totalled 23 935.
- The number of digital subscriptions of Geenius Meedia OÜ increased by 62% year-over-year (9% in the 1st quarter) and totalled 4 461.
- In Latvia, the number of digital subscriptions of Delfi A/S increased by 71% year-over-year (3% in the 1st quarter) and totalled 18 060.
- In Lithuania, the number of digital subscriptions of Delfi more than doubled year-over-year (18% in the 1st quarter) and totalled 20 550.

The number of digital subscribers of the key periodicals of Ekspress Grupp continued to grow in the 1st quarter of 2022. The Latvian and Lithuanian markets where the share of digital subscribers has been lower than in Estonia and hence their growth potential is higher, demonstrated the strongest growth. The growth in subscribers accelerated at the end of February this year because during the turbulent time in the world, the interest of readers in high-quality and objective journalism grows.

The Supervisory Board of Ekspress Grupp has set the company's long-term financial goal to increase the number of digital subscriptions in the Baltic States by 2.5 times by the end of 2026 as compared to 2021, i.e. to 340 000 subscribers. New digital subscribers are important for attaining the company's financial goals because in addition to the online advertising sales it provides a stable revenue base for the Group.

REAL ESTATE PORTAL



While in the 1st quarter of 2021 the real estate classified ads decreased in all real estate portals, then in the 1st quarter of 2022, the number of sales ads had started to increase. At the end of the 1st quarter of 2022, [Kinnisvara24.ee](https://www.kinnisvara24.ee) was the market leader in the category of new development projects.

One of the largest development projects in the 1st quarter was the launch of the web portal www.kinnisvara24.ee/ukraini. It is a philanthropic web environment that was completed in collaboration of [Kinnisvara24.ee](https://www.kinnisvara24.ee) and the Social Insurance Board, which makes it easier for the Ukrainian war refugees to find accommodation in Estonia. Adding new ads in the portal is free of charge to ensure as large a number of offers as possible. By April, more than 700 people had found housing via the portal.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 31 March 2022, the company's share capital is EUR 18 478 105 (31.12.2021: EUR 18 478 105), which is divided into 30 796 841 (31.12.2021: 30 796 841) shares with the nominal value of 0.60 euros per share.

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

Structure of shareholders as of 31 March 2022 according to the Estonian Central Register of Securities

Name	Number of shares	%
Hans H. Luik and companies under his control	22 552 672	73.23%
<i>Hans H. Luik</i>	7 963 307	25.86%
<i>OÜ HHL Rühm</i>	14 589 365	47.37%
LHV Bank and funds managed by LHV Varahaldus	2 549 022	8.28%
Members of the Management Boards*	134 814	0.44%
Other minority shareholders	5 068 205	16.46%
Treasury shares	492 128	1.60%
TOTAL	30 796 841	100.0%

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

Shares held by members of the Management Board and Supervisory Board

Mari-Liis Rüütsalu holds 36 924 shares.

Kaspar Hanni holds 18 462 shares.

Signe Kukin does not hold shares.

Hans H. Luik holds 7 963 307 shares and OÜ HHL Rühm holds 14 589 365 shares, the ownership interest of Hans H. Luik as the ultimate beneficiary of AS Ekspress Grupp is 73.23% (22 552 672 shares).

The price of the share of Ekspress Grupp (EEG1T) in euros and the trading statistics on NASDAQ Tallinn Stock Exchange from 1 January 2018 until 31 March 2022.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2018 until 31 March 2022.



Dividend policy

In October 2021, the Supervisory Board of AS Ekspress Grupp approved the Group's dividends policy according to which Ekspress Grupp will pay at least 30% of its annual net profit as dividends starting from 2022. The capital structure of Ekspress Grupp needs to be strong and sustainable to maintain the targeted operating freedom and make use of the growth opportunities of various economic cycles. The Group's task is to maintain conservative capital allocation in order to provide the Company with flexibility to make new investments in accordance with the requirements set for raising debt.

To support growth, Ekspress Grupp has set a goal of maintaining an optimal level for CAPEX, loan repayments and profit allocation from the point of view of the Group and its investors.

The Group will pay at least 30% of its previous year's net profit as dividends under the condition that there will be enough cash to fund its key operations and make new strategic investments. In the years of economic deceleration or when the cash flows are lower for other reasons, the Group may decide to lower the dividend payout rate or not to pay dividends.

Dividends

In 2021, in conjunction with the sale of Printall AS, the Group paid an extraordinary dividend of 10 euro cents per share to its shareholders in the total amount of EUR 3.03 million. Shareholder resolutions were adopted without calling the extraordinary general meeting of shareholders on 4 November 2021.

In February 2022, the Management Board of the Group made a proposal to the shareholders to distribute dividends from the net profit of 2021 in the amount of 5 euro cents per share, i.e. in the total amount of EUR 1.51 million. As of 28.04.2022, the shareholders Hans Luik and HHL Rühm OÜ have submitted a new draft resolution to pay dividends of 8 euro cents per share, i.e. in the total amount of EUR 2.42 million. The decision on dividend distribution will be made at the General Meeting of Shareholders on 2 May 2022.

CORPORATE GOVERNANCE

GROUP'S LEGAL STRUCTURE

As of 31 March 2022, the Group consists of 21 companies (31.12.2021: 21). A detailed list of group companies is disclosed in Note 1 to the financial statements.

Changes in the Group's legal structure

In September 2021, a merger agreement was concluded to merge the wholly-owned subsidiary of A/S Delfi (the wholly-owned subsidiary of AS Ekspress Grupp), i.e. SIA Delfi Tickets Service with the wholly-owned subsidiary of A/S Delfi, i.e. SIA Biļešu Paradīze, agreeing that SIA Biļešu Paradīze as the acquiring company will acquire all assets and liabilities of SIA Delfi Tickets Service. The merger agreement was concluded for the purpose of simplifying the Group's management and legal structure. The merger was registered on 19 April 2022.

On 2 March 2022, a contract was concluded between AS Ekspress Grupp, AS Postimees Grupp and AS Eesti Post, according to which AS Eesti Post will acquire a 100% ownership interest in AS Express Post. The holding of Ekspress Grupp will be 50%. The purpose of the transaction is fund a more sustainable economic model for home delivery of newspapers and magazines. Exit from the postal business is in line with the Group's long-term strategy and continuous growth of the share of digital media. As of 31 March 2022, the value of the investment in the Group's balance sheet was EUR 0 (31.12.2021: EUR 0). The parties have agreed that the conditions of the transaction will be confidential. Prior to entry into force, the purchase and sale transaction needs to be approved by the Competition Board that has up to five months to develop a position.

In 2021, the revenue of AS Express Post was EUR 5.2 million and the loss totalled EUR 0.6 million. In the first quarter of 2022, its revenue was EUR 1.2 million and the loss totalled EUR 0.3 million.

GENERAL MEETING OF SHAREHOLDERS

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

In January 2022, The Management Board of AS Ekspress Grupp proposed to the shareholders to adopt resolutions without convening a general meeting in accordance to § 299¹ of the Commercial Code. The notice of adoption of resolutions was published on 20 January 2022 in the stock exchange information system and on the company's homepage, as well as in the 21 January 2022 issue of newspaper Eesti Päevaleht.

On 11 February 2022, the shareholders of AS Ekspress Grupp adopted the following resolutions:

- The approval of the Share Option Program of AS Ekspress Grupp up to 371,000 options with the exercise date May 2023. The program enables Ekspress Grupp to comply with the commitment arising from the purchase and sale agreement of the shares of Geenius Meedia OÜ entered into on 17 December 2021.

The annual general meeting of shareholders will be held on May 2, 2022. More detailed information regarding the meeting is provided in the [notice](#) on convening the meeting.

SUPERVISORY BOARD

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

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

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

MANAGEMENT BOARD

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

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

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

SUPERVISORY AND MANAGEMENT BOARDS OF SUBSIDIARIES

The supervisory and management boards of AS Ekspress Grupp's key subsidiaries as of 31 March 2022 is shown below:

COMPANY*	SUPERVISORY BOARD	MANAGEMENT BOARD
Ekspress Meedia AS (14 725 573)	Hans Luik (chairman), Mari-Liis Rüütsalu, Kaspar Hanni, Signe Kukin	Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Piret Põldoja
Delfi UAB (3 721 835)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Vytautas Benokraitis
SIA Biļešu Paradīze (662 785)	-	Jānis Kuzulis (chairman), Jānis Daube
Delfi A/S (Latvia) (3 936 411)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Konstantīns Kuzikovs (chairman), Ingus Bērziņš, Anatolijs Golubovs
Ekspress Finanants OÜ (18 310 010)	-	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin

* The amount of equity of the key subsidiary that is held by the owners of the parent company as of 31 March 2022 is shown in parentheses.

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Consolidated balance sheet (unaudited)

(EUR thousand)	31.03.2022	31.12.2021
ASSETS		
Current assets		
Cash and cash equivalents	8 878	10 962
Trade and other receivables	9 517	9 323
Corporate income tax prepayment	120	2
Inventories	272	266
Total current assets	18 787	20 553
Non-current assets		
Other receivables and investments	1 645	1 671
Deferred tax asset	42	42
Investments in joint ventures	1 041	1 011
Investments in associates	2 367	2 210
Property, plant and equipment (Note 4)	8 781	7 964
Intangible assets (Note 4)	60 924	60 807
Total non-current assets	74 801	73 705
TOTAL ASSETS	93 587	94 258
LIABILITIES		
Current liabilities		
Borrowings (Note 5)	2 754	3 201
Trade and other payables	18 087	17 664
Corporate income tax payable	73	82
Total current liabilities	20 913	20 947
Non-current liabilities		
Long-term borrowings (Note 5)	18 846	19 018
Other long-term liabilities	601	601
Total non-current liabilities	19 447	19 619
TOTAL LIABILITIES	40 361	40 566
EQUITY		
Minority interest	139	140
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)	(367)	(384)
Reserves (Note 10)	1 929	1 920
Retained earnings	18 771	19 261
Total capital and reserves attributable to equity holders of parent company	53 088	53 552
TOTAL EQUITY	53 227	53 692
TOTAL LIABILITIES AND EQUITY	93 587	94 258

The Notes presented on pages 24-30 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q1 2022	Q1 2021	12 months 2021
Continuing operations			
Sales	13 426	11 002	53 516
Cost of sales	(11 034)	(9 002)	(39 674)
Gross profit	2 393	2 000	13 842
Other income	119	106	929
Marketing expenses	(655)	(417)	(2 359)
Administrative expenses	(2 147)	(1 876)	(7 435)
Other expenses	(42)	(24)	(113)
Operating profit/(loss)	(332)	(211)	4 864
Interest income	10	9	35
Interest expenses	(169)	(181)	(709)
Other finance income/(costs)	(14)	16	339
Net finance cost	(172)	(157)	(335)
Profit/(loss) on shares of joint ventures	(133)	(107)	(281)
Profit/(loss) on shares of associates	130	35	161
Profit/(loss) before income tax	(508)	(440)	4 409
Income tax expense	(4)	(5)	(276)
Net profit/(loss) from continuing operations	(512)	(445)	4 133
Net profit/(loss) from discontinued operation	0	180	(1 876)
Net profit/(loss) for the reporting period	(512)	(264)	2 257
Net profit/(loss) for the reporting period attributable to			
Equity holders of the parent company	(511)	(265)	2 243
Minority interest	(1)	1	14
Total comprehensive income/(loss)	(512)	(264)	2 257
Comprehensive income/(loss) for the reporting period attributable to			
Equity holders of the parent company	(511)	(265)	2 243
Minority interest	(1)	1	14
Earnings per share (euro) - continuing operations			
Basic earnings per share (Note 8)	(0.02)	(0.01)	0.14
Diluted earnings per share (Note 8)	(0.02)	(0.01)	0.13
Earnings per share (euro)			
Basic earnings per share (Note 8)	(0.02)	(0.01)	0.07
Diluted earnings per share (Note 8)	(0.02)	(0.01)	0.07

The Notes presented on pages 24-30 form an integral part of the consolidated interim report.

Consolidated statement of changes in equity (unaudited)

(EUR thousand)	Attributable to equity holders of parent company					Total	Minority interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings			
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
Balance on 31.12.2021	18 478	14 277	(384)	1 920	19 261	53 552	140	53 692
Share options	0	0	17	9	21	47	0	47
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>17</i>	<i>9</i>	<i>21</i>	<i>47</i>	<i>0</i>	<i>47</i>
Net profit /(loss) for the reporting period	0	0	0	0	(511)	(511)	(1)	(512)
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(511)</i>	<i>(511)</i>	<i>(1)</i>	<i>(512)</i>
Balance on 31.03.2022	18 478	14 277	(367)	1 929	18 771	53 088	139	53 227

The Notes presented on pages 24-30 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	Q1 2022	Q1 2021*	12 months 2021*
Cash flows from operating activities			
Operating profit /(loss) for the reporting year	(332)	4	3 060
<u>Adjustments for (non-cash):</u>			
Depreciation and amortisation (Note 4)	948	1 111	4 162
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	(7)	(1)	(10)
Change in value of share option	9	10	36
Loss on sale of discontinued operation	0	0	2 077
Cash flows from operating activities:			
Trade and other receivables	(214)	192	(1 599)
Inventories	(6)	10	(33)
Trade and other payables	378	(573)	1 464
Cash generated from operations			
Income tax paid	(131)	(88)	(281)
Interest paid	(104)	(128)	(803)
Net cash generated from operating activities	542	536	8 073
Cash flows from investing activities			
Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees	(257)	(80)	(3 325)
Disposal of discontinued operation, net of cash disposed of	0	0	6 326
Receipts of other investments	0	51	51
Interest received	1	2	3
Purchase of property, plant and equipment and intangible assets (Note 4)	(1 627)	(628)	(2 786)
Proceeds from sale of property, plant and equipment and intangible assets	25	1	3
Loans granted	(30)	(40)	(212)
Loan repayments received	86	0	156
Dividends received	0	0	828
Net cash used in investing activities	(1 803)	(696)	1 044
Cash flows from financing activities			
Dividends paid	0	0	(3 028)
Payment of lease liabilities	(402)	(498)	(1 814)
Loans received / Repayments of bank loans (Note 5)	(420)	(618)	864
Purchases of treasury shares	0	(422)	(446)
Net cash used in financing activities	(823)	(1 537)	(4 424)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2 084)	(1 697)	4 693
Cash and cash equivalents at the beginning of the period	10 962	6 269	6 269
Cash and cash equivalents at the end of the period	8 878	4 571	10 962

*No adjustments have been made to the consolidated cash flows for 2021 in accordance with the requirements of IFRS. Cash flows related to the printing services segment are still consolidated line-by-line.

The Notes presented on pages 24-30 form an integral part of the consolidated interim report.

SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1. General information

The main fields of activity of AS Ekspress Grupp and its subsidiaries include online media, publishing of newspapers, magazines and books. ASEkspress Grupp (registration number 10004677, address: Narva mnt 13, 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 28 April 2022. 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 31.03.2022	Ownership interest 31.12.2021	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	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
Bilēšu 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	Estonia
Digital Matter UAB	Subsidiary	100%	100%	Online advertising solutions and network	Lithuania
Digital Matter SIA	Subsidiary	100%	100%	Online advertising solutions and network	Latvia
Videotinklas UAB	Subsidiary	100%	100%	Production studio for content creation	Lithuania
Geenius Meedia OÜ	Subsidiary	100%	100%	Online media and publishing magazines	Estonia
Linna Ekraanid OÜ	Subsidiary	100%	100%	Sale of digital outdoor advertising	Estonia
Babahh Media OÜ	Subsidiary	100%	100%	Sale of video production, media and infrastructure solutions	Estonia
Õhtuleht Kirjastus AS	Joint venture	50%	50%	Newspaper and magazine publishing	Estonia
Express Post AS	Joint venture	50%	50%	Home delivery of periodicals	Estonia
Kinnisvarakeskkond OÜ	Associate	49%	49%	Development of a real estate portal	Estonia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 1st quarter ended on 31 March 2022 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 2021.

The Management Board estimates that the interim consolidated financial statements for the 1st quarter of 2022 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 2021.

Note 3. Financial risk management

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

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

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

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

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

Note 4. Property, plant and equipment and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Balance at beginning of the period				
Cost	14 493	42 714	82 081	77 076
Accumulated depreciation and amortisation	(6 529)	(28 580)	(21 274)	(20 441)
Carrying amount	7 964	14 134	60 807	56 635
Acquisitions and improvements	1 452	1 861	404	449
Disposals (at carrying amount)	(3)	0	0	0
Write-down, write-off and impairment of non-current assets	(39)	0	(51)	(1)
Reclassification	(5)	40	0	(40)
Acquired through business combinations	0	0	125	0
Depreciation and amortisation	(588)	(749)	(361)	(361)
Balance at end of the period				
Cost	15 879	44 538	82 584	77 485
Accumulated depreciation and amortisation	(7 098)	(29 252)	(21 660)	(20 802)
Carrying amount	8 781	15 286	60 924	56 682

Note 5. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term		
		Up to 1 year	Between 1-5 years	More than 5 years
Balance as of 31.03.2022				
Long-term bank loans	10 930	1 590	9 340	0
Notes	5 000	0	0	5 000
Lease liability	5 671	1 164	4 507	0
Total	21 601	2 754	13 847	5 000
Balance as of 31.12.2021				
Long-term bank loans	11 350	1 680	9 670	0
Notes	5 000	0	0	5 000
Lease liability	5 869	1 521	4 348	0
Total	22 219	3 201	14 018	5 000

Note 6. Segment reporting

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

Starting from September 2021, the Group has only one continued operating segment, i.e. the media segment.

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), Digital Matter (Lithuania, Estonia, Latvia), Linna Ekraanid OÜ (Estonia), Babahh Media OÜ (Estonia), SIA Biļešu Paradīze (Latvia), Videotinklas UAB (Lithuania) and Geenius Meedia OÜ (Estonia).

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

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. 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 2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	13 047	379	0	13 426
Inter-segment sales	34	713	(747)	0
Total segment sales	13 081	1 092	(747)	13 426
EBITDA	893	(230)	(46)	616
EBITDA margin	7%			5%
Depreciation				948
Operating profit/(loss)				(332)
Investments				1 857

Q1 2021 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	10 640	362	0	11 002
Inter-segment sales	16	690	(706)	0
Total segment sales	10 656	1 052	(706)	11 002
EBITDA	795	(179)	(20)	596
EBITDA margin	7%			5%
Depreciation				807
Operating profit/(loss)				(211)
Investments				2 127

Note 7. Discontinued operation

In September 2021, AS Ekspress Grupp sold its 100% ownership interest in its subsidiary Printall AS. The management decided to sell Printall AS in order to exit from a business sector that doesn't match with Group's strategy and sector with a significant CAPEX requirements. As a result of the transaction, the capital is released for financing Group's continued growth in digital media.

In accordance with the decision of the extraordinary general meeting of shareholders of AS Ekspress Grupp from 13 July 2021, AS Ekspress Grupp and OÜ Trükitung concluded a sales agreement on 3 September 2021, according to which Ekspress Grupp sold its 100% ownership interest in its subsidiary Printall AS. The transaction was completed as of 6 September 2021, from which the business of Printall AS is reported in the consolidated financial statements as a discontinued operation and comparable data are presented for continuing operations, where the revenues and expenses of discontinued operations are shown in a separate line in the comprehensive income statement "Gain/-loss from discontinued operations".

The effect of the sales transaction on the Group's financial statements is disclosed in more detail in the consolidated financial statements of the Group for the year ended 31 December 2021.

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 2022			Q1 2021		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Profit / (loss) attributable to equity holders	(510 858)	0	(510 858)	(445 904)	180 469	(265 435)
Average number of ordinary shares at the end of the period	30 283 354	30 283 354	30 283 354	30 135 920	30 135 920	30 135 920
Number of ordinary shares potentially issued as the part of option program at the end of the period	1 064 071	1 064 071	1 064 071	1 183 012	1 183 012	1 183 012
Basic earnings per share	(0.02)	0.00	(0.02)	(0.01)	0.01	(0.01)
Diluted earnings per share	(0.02)	0.00	(0.02)	(0.01)	0.01	(0.01)

EUR	12 months 2021		
	Continuing operations	Discontinued operation	Total
Profit / (loss) attributable to equity holders	4 119 007	(1 875 904)	2 243 103
Average number of ordinary shares at the end of the period	30 243 148	30 243 148	30 243 148
Number of ordinary shares potentially issued as the part of option program at the end of the period	1 064 071	1 064 071	1 064 071
Basic earnings per share	0.14	(0.06)	0.07
Diluted earnings per share	0.13	(0.06)	0.07

Note 9. Share option plan

Program approved in 2017

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

By 31 March 2022, the balance of issued options of the share option plan approved in 2017 was 45 thousand (as of 31.12.2021: 69 thousand options issued), each of which grants the right to receive one share of the company free of charge. As at 31 December 2021 all options are vested and can be exercised during 2022. The liability of the above mentioned stock options amounted to EUR 35 thousand as at 31 March 2022 (31.12.2021: EUR 72 thousand).

Program approved in 2020

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 March 2022 total amount of share options granted was 1 064 thousand (31.12.2021: 1 064 thousand), each giving a right to acquire one share at the nominal price (currently 60 euro cents) of the shares at the time of the issuing the options. The options are vesting proportionally 1/3 per year over three-year period. 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 that shall take place in Q1 2024.

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 March 2022 this reserve totalled EUR 45 thousand (31.12.2021 EUR 36 thousand).

Program approved in 2022

In February 2022, the General Meeting of Shareholders approved a new share option plan that entitles the option holders to acquire the shares of AS Ekspress Grupp in exchange for the underlying asset of the options issued by Geenius Meedia OÜ in 2020. Share option plan was approved up to 371 thousand options, each of which grants the right to receive one share of the company free of charge, with the exercise date May 2023. The exercise of these options will be performed in exchange for the own shares of Ekspress Grupp. No new shares shall be issued under this program. The program enables AS Ekspress Grupp to comply with the commitment arising from the purchase and sale agreement of the shares of Geenius Meedia OÜ entered into on 17 December 2021. As of 31 March 2022, the liability of the mentioned share option amounted to EUR 378 thousand (31.12.2021: EUR 378 thousand).

Note 10. Equity and dividends

Share capital

As of 31 March 2022, the company's share capital is EUR 18 478 105 (31.12.2021: EUR 18 478 105), which is divided into 30 796 841 (31.12.2021: 30 796 841) shares with the nominal value of 0.60 euros per share.

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

Treasury shares

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

In the 1st quarter of 2022, within the framework of the share option plan the option owners were transferred 21 844. As a result, the balance of treasury shares decreased by EUR 17 thousand.

As of 31 March 2022, the Company had 492 128 treasury shares (31.12.2021: 513 972) in the total amount of EUR 367 thousand (31.12.2021: EUR 384 thousand). 440 thousand treasury shares to be used for the share option plans due to be exercised in 2022 and 2023.

Dividends

In February 2022, the Management Board of the Group made a proposal to the shareholders to distribute dividends from the net profit of 2021 in the amount of 5 euro cents per share, i.e. in the total amount of EUR 1.51 million. As of 28.04.2022, the shareholders Hans Luik and HHL Rühm OÜ have submitted a new draft resolution to pay dividends of 8 euro cents per share,

i.e. in the total amount of EUR 2.42 million. The decision on dividend distribution will be made at the General Meeting of Shareholders on 2 May 2022.

In 2021, in conjunction with the sale of Printall AS, the Group paid an extraordinary dividend of 10 euro cents per share to its shareholders in the total amount of EUR 3.03 million. Shareholder resolutions were adopted without calling the extraordinary general meeting of shareholders on 4 November 2021.

As of 31 March 2022, it is possible to distribute dividends without income tax payment in the total amount of EUR 24.9 million.

Note 11. Related party transactions

Transactions with related parties are transactions with Key Management Personnel and companies controlled by the Key Management Personnel, associates and joint ventures.

The Key Management Personnel are members of the Group's and Group companies' Supervisory Board and Management Board.

The ultimate controlling individual of ASEkspress Grupp is Hans H. Luik.

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

(EUR thousand)	Q1 2022		31.03.2022		31.12.2021	
	Sales	Purchases	Receivables	Payables	Receivables	Payables
Companies controlled by the Key Management Personnel*	34	678	712	359	717	252
Associates	41	0	177	0	192	0
Joint ventures	364	516	146	217	145	226
Total	439	1 194	1 035	576	1 055	478

(EUR thousand)	Q1 2021		31.03.2021		31.12.2020	
	Sales	Purchases	Receivables	Payables	Receivables	Payables
Companies controlled by the Key Management Personnel*	1	104	0	7	1	9
Associates	38	9	180	5	186	0
Joint ventures	563	467	248	340	218	197
Total	602	581	428	352	405	206

* since September 2021, Printall AS is a company related to a member of the Supervisory Board, and transactions and balances related to Printall AS are reported in the line "Companies controlled by the Key Management Personnel". Previously, Printall AS was a Group company and transactions and balances related to it are not reflected in the note "Related party transactions".

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. On 2 February 2022, Tallinn Circuit Court ruled in favour of AS Ekspress Meedia in an action brought by MM Grupp OÜ pertaining to rebuttal of false data and compensation for damages. The procedural costs at both instances shall be borne by the plaintiff. MM Grupp OÜ appealed in cessation to the Supreme Court.

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

The Management Board confirms that the management report and interim consolidated financial statements of AS Ekspress Grupp disclosed on pages 3 to 33 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>	28.04.2022
Signe Kukin	member of the Management Board	<i>signed digitally</i>	28.04.2022
Kaspar Hanni	member of the Management Board	<i>signed digitally</i>	28.04.2022

BRIEF OVERVIEW OF THE GROUP

Ekspress Grupp with its more than 30-year history is the leading media group in the Baltic States that owns five media companies in Estonia, Latvia and Lithuania. In addition, the Group owns several portals and companies providing digital entertainment solutions. It organises cultural and sports as well as other events on socially important topics in all Baltic States. The key focus is to provide the best solutions to media consumers, advertising customers and cooperation partners using modern digital solutions and services.

- **Key activity:** production of journalistic content and sale of advertisements to digital platforms in all Baltic States. Publishing of newspapers, magazines and books in Estonia.
- **Key activities are supported by** IT development, solutions of audio-visual production, rental of advertising space, home delivery of paper periodicals.
- **Development of digital business lines:** in 2021, the Group exited the printing segment after which the Group's revenue base became almost entirely digital. At the end of 2021, digital products/services contributed 76% to the Group's total revenue.
- Management of the **ticket sales platform** and **ticket sales sites** in Estonia and Latvia.
- Advertising sales on **digital outdoor screens** in Estonia and Latvia.
- Importance of organisation of **entertainment events and thematic conferences** will increase.

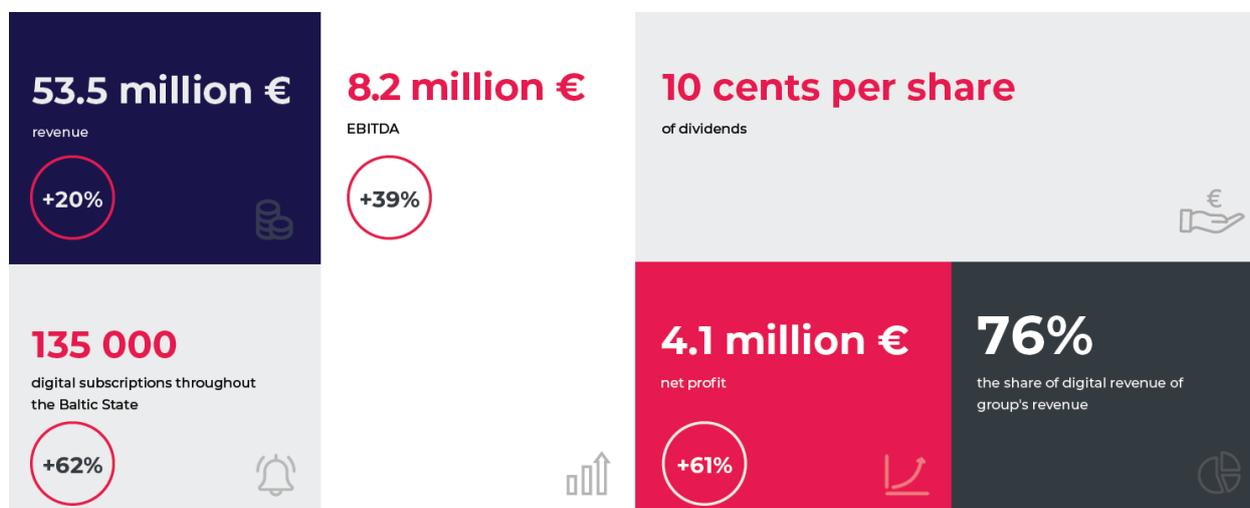
The customers of Ekspress Grupp are divided into three major groups:

- Consumers of media content (both retail and business customers),
- Advertising buyers,
- Other private and legal customers that buy the services of group companies.

In 2021, Ekspress Grupp reinforced its positions in all areas of operation. In the financial year, the ongoing spread of the coronavirus significantly impacted the work of group companies, primarily challenging the work procedures of media publications and turning other services digital.

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 73.23%.

Ekspress Grupp in figures (2021 – continuing operations)



* The number of digital subscriptions also includes the figures of joint ventures.

Digital
Matter

 altero.ee

BABAHH

 BİLƏŞÜ
PARADİZE

 LINNA EKRAANID

 Ds
dscreens.lv

HEA
LUGU

EKSPRESS
MEED/A

 KINNIS-
VARA
24

 geenius

exP
ost

Õhtuleht
Kirjastus

Delfi

 Eesti Päevaleht

EESTI EKSPRESS

Maaleht

Kroonika

EESTI
NAINE

anne
& stül

PERE ja KODU

MAAKODU

Oma Maitse

Tervis PLUS

piletitasku

Õhtuleht

Tiiu

Naisteleht

 Naisteleht
55+

 tv
teleleht

Kodukiri

Nipiraamat

käsitöö

 Kalale! LOODUSES

Eesti Ajalugu

Eesti Mets

*Brands that AS Ekspress Grupp owns or has invested in

*Detailed information about our brands and businesses on the [website of AS Ekspress Grupp](#)