

EKSPRESS GRUPP

**Consolidated Interim Report for the Third
Quarter and Nine months of 2022**

January - September
(unaudited)

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MANAGEMENT REPORT

SUMMARY OF RESULTS

Q3 2022 in comparison with Q3 2021 (continuing operations):

- **Sales revenue** EUR 15.1 million (EUR 13.3 million) +14%
- **The share of digital revenue** of group's revenue 79% (76%)
- **EBITDA** EUR 2.26 million (EUR 2.25 million) +1%
- **Net profit** EUR 0.86 million (EUR 1.15 million) -25%
- **Earnings per share** EUR 0.0282 (EUR 0.0377) -25%

9 months 2022 in comparison with 9 months 2021 (continuing operations):

- **Sales revenue** EUR 45.0 million (EUR 37.6 million) +20%
- **The share of digital revenue** of group's revenue 77% (74%)
- **Digital subscriptions** in Baltics 151 thousand (125 thousand) +21%
- **EBITDA** EUR 5.10 million (EUR 5.05 million) +1%
- **Net profit** EUR 1.62 million (EUR 1.82 million) -11%
- **Earnings per share** EUR 0.0533 euro (0.0602 euro) -11%

MANAGEMENT'S COMMENTS

In the 3rd quarter of 2022, the consolidated revenue of AS Ekspress Grupp totalled EUR 15.1 million and the net profit totalled EUR 0.86 million. The total revenue for the first nine months reached EUR 45.0 million, increasing by 20% year-over-year. The net profit for the first nine months totalled EUR 1.62 million, decreasing by EUR 0.2 million as compared to last year. Digital revenue increased by 25% as compared to the same period last year and digital revenue contributed 77% to the Group's total revenue at the end of September.

The Group's revenue for the 3rd quarter continued its growth as expected. The consolidated revenue for the quarter totalled EUR 15.1 million (Q3 2021: EUR 13.3 million), increasing by 14% as compared to last year. The Group's online advertising sales continued to grow at the time when the total market did not significantly grow. The Group's media companies managed to successfully grow at the expense of their competitors, providing the best solutions to their advertising customers in reaching consumers. Ad buyers direct an increasingly larger share of their marketing budget into online channels, ensuring the sustainability of the Group's key type of revenue. Nine-month revenue totalled EUR 45.0 million, increasing by 20% as compared to last year. In addition to advertising sales, better nine-month performance was attributable to a higher number of digital subscriptions and the growth in the average price of both paper and digital products.

The number of the digital subscriptions of AS Ekspress Grupp increased by 21% by the end of September as compared to the same period last year and totalled 151.4 thousand subscriptions. The number of digital subscriptions of Õhtuleht increased the most, indicating that the customer groups that until now had preferred print periodicals are also more willing to consumer more digital media. In percentage terms, the number of digital subscribers demonstrated the highest growth in Lithuania and Latvia where the transition to the digital subscription model started later than in Estonia and where the Group is expecting to see further growth potential in the near future.

**Growth in
digital
subscriptions
+21%**

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 2.26 million in the 3rd quarter and EUR 5.1 million in the first nine months. EBITDA grew by 1% both in the 3rd quarter as well as in the first nine months as compared to last year. Due to the growth in input prices (primarily paper, printing and energy costs) and the pressure of the overall economic environment on wages, the Group's EBITDA margin for the first nine months fell from 13% to 11%. The Group is aware of the higher risks related to the weakening of the economic environment and the potential economic cooldown over the next 12 months. We have already reduced our cost base in the areas where revenue has not met the Group's expectations. The effect of cost reductions will be evident in the next quarters. In addition, we are looking for opportunities in the new economic environment for more efficient management of processes and increasing sales revenue.

In the 3rd quarter of 2022, the consolidated revenue totalled EUR 0.86 million and the net profit for the first nine months totalled EUR 1.62 million. In the first nine months, the net profit decreased by EUR 0.2 million (-11%) as compared to the previous year. Lower profit was attributable to higher losses of AS Express Post that is engaged in home delivery of print media and the growth in the depreciation charge due to higher capital expenditures as compared to the same period last year.

The Management Board of Ekspress Grupp considers the Group's 9-month results as positive: the Group was able to grow the digital revenue base (both the turnover and share of digital revenues as well as the number of digital subscribers) and maintain good profitability despite the unstable business environment and the increase in input prices and salary expenses. This shows that over the last two years, Ekspress Grupp has been able to adapt quickly and efficiently to changed business environment, but contradictory future forecasts require to stay flexible and react quickly also in the upcoming quarters.

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.

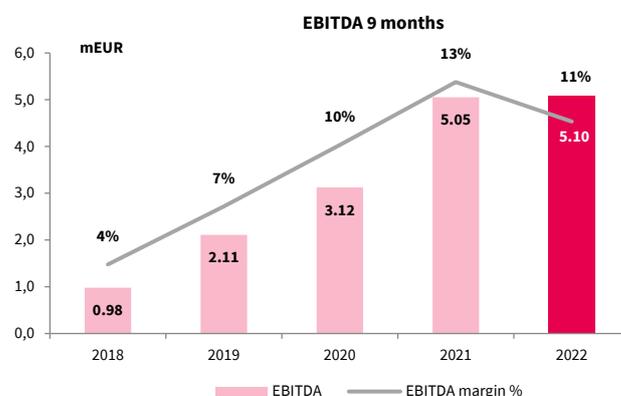
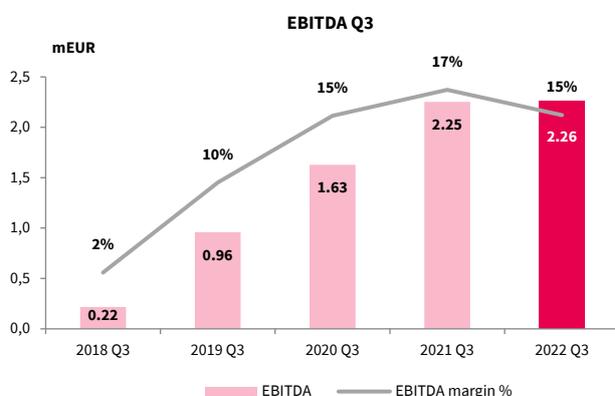
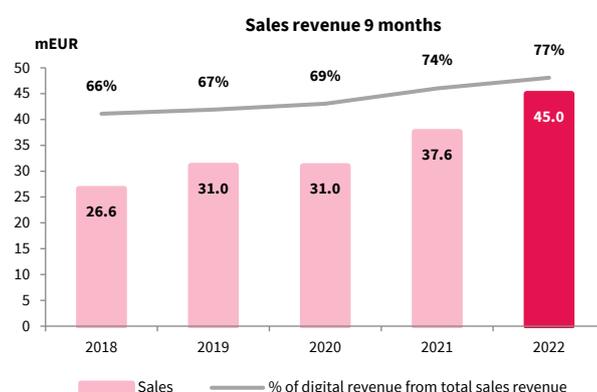
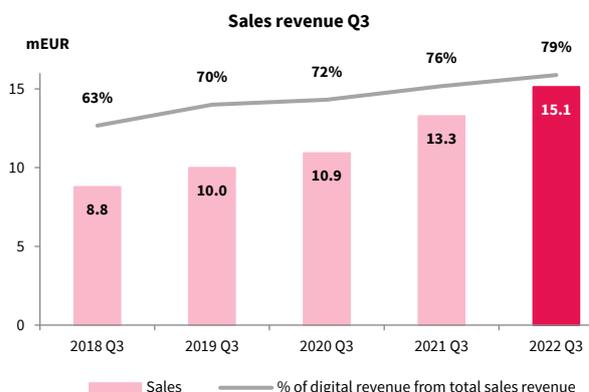
To implement the Group's strategy, our goal remains production of award-winning content valued by our readers and media experts alike while being a leading digital publisher in the Baltic States both in terms of digital subscriptions, the time spent online and the number of actual users. We wish to continue 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%

Q3 AND 9 MONTHS RESULTS



REVENUE

In the 3rd quarter of 2022, the consolidated revenue totalled EUR 15.1 million (Q3 2021: EUR 13.3 million). The revenue for the 3rd quarter increased by 14% year-over-year. The consolidated revenue for the first 9 months of 2022 totalled EUR 45.0 million (9 months 2021: EUR 37.6 million). The revenue for the first 9 months increased by 20% year-over-year. This growth was attributable to both online advertising revenue as well as digital subscriptions revenue. The share of the Group's digital revenue in total revenue was 77% at the end of the 3rd quarter of 2022 (at the end of the 3rd quarter 2021: 74% of total revenue). Digital revenue for the first 9 months of 2022 increased by 25% as compared to the same period last year.

PROFITABILITY

In the 3rd quarter of 2022, the consolidated EBITDA totalled EUR 2.26 million (Q3 2021: EUR 2.25 million). In the 3rd quarter of 2022, EBITDA increased by 1% as compared to the previous year and the EBITDA margin was 15% (Q3 2021: 17%). The consolidated EBITDA for the first 9 months of 2022 totalled EUR 5.10 million (9 months 2021: EUR 5.05 million). In the first 9 months of 2022, EBITDA increased by 1% as compared to the previous year and the EBITDA margin was 11% (9 months 2021: 13%).

The consolidated net profit for the 3rd quarter of 2022 totalled EUR 0.86 million (Q3 2021: EUR 1.15 million). In the 3rd quarter of 2022, the net profit decreased by 25% as compared to the previous year. The consolidated net profit for the first 9 months of 2022 totalled EUR 1.62 million (9 months 2021: EUR 1.82 million). In the first 9 months of 2022, the net profit decreased by 11% as compared to the previous year. This decline is primarily related to the higher loss of AS Express Post for the period and the increase of the Group's depreciation charge due to higher capital expenditures as compared to the same period last year.

EXPENSES

In the first 9 months of 2022, the cost of goods sold, marketing, and general and administrative costs totalled EUR 43.29 million (9 months 2021: EUR 35.56 million). In the first 9 months of the year, operating expenses increased by EUR 7.73 million (+22%). Staff costs in the amount of EUR 4.39 million (+23%) increased the most. The significant growth in input expenses is linked to the outsourcing of the printing service related to print media as well as the home delivery service, the total growth was EUR 0.66 million (+16%).

As of 30 September 2022, the Group employed 861 employees which is 132 more as compared to the same period last year (30.09.2021: 729 employees). This growth is attributable to 56 employees who were transferred from OÜ Geenius Meedia acquired at the end of 2021 and the ELTA news agency acquired in the summer of 2022. 76 employees were hired in other companies in Estonia, Latvia and Lithuania. Given the general economic situation, we have selectively adjusted employee salaries in order to retain the best. In addition, we have started with cost reductions and layoffs, especially in Latvia where advertising sales have failed to meet the Group's internal targets. These activities will have an impact in the upcoming quarters.

In the first 9 months of the year, the one-off expenditure includes donations to Ukraine in the total amount of EUR 0.20 million (Q3 2022: additional donations of EUR 0.06 million).

The war in Ukraine has had a major negative effect on the GDP growth in the Baltic States. As a result, the economy has slowed down and created a high inflation environment (in September 2022, inflation was 24.1% in Estonia, 22.5% in Lithuania and 22% in Latvia as compared to the previous year) which is one of the highest in the Eurozone. The Group has neither any operations nor any assets in Ukraine and Russia, and therefore, the war has only an indirect impact on the Group.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 6.1 million and equity in the amount of EUR 53.0 million (57% of total assets). The comparable data as of 30 September 2021 were EUR 12.4 million and EUR 54.4 million (61% of total assets), respectively. As of 30 September 2022, the Group's net debt was EUR 15.8 million (31 December 2021: EUR 11.3 million).

In the first 9 months of 2022, the Group's cash flows from operating activities totalled EUR 3.89 million (9 months 2021: EUR 4.41 million, incl. printing services segment) that were positively impacted by the ticket sales platforms in Estonia and Latvia. The sales activity of the Latvian ticket sales platform has recovered and is in a better position due to higher ticket prices as compared to the pre-Covid-19 period.

In the first 9 months of 2022, the Group's cash flows from investing activities totalled EUR -4.76 million (9 months 2021: EUR 4.98 million, incl. the sale of a discontinued operation in the amount of EUR 6.33 million), of which EUR -2.89 million was related to development and acquisition of property, plant and equipment and intangible assets, indicating higher investments in products and technologies. In the first 9 months of the year, the Group invested EUR -1.56 million in new LED screens, to be funded with a finance lease in the last quarter of 2022.

In the first 9 months of 2022, the Group's cash flows from financing activities totalled EUR -4.01 million (9 months 2021: EUR -3.29 million), of which EUR -2.43 million was the dividend payment to the shareholders of AS Ekspress Grupp. Financing activities also include a net change in borrowings and principal lease payments, where the changes made to SEB loan contracts entered into in summer 2021 had a positive impact. In the first 9 months of 2021, treasury shares were purchased in the amount of EUR 0.45 million.

DIVIDENDS

At the regular General Meeting of Shareholders of AS Ekspress Grupp held on 2 May 2022, it was decided to pay a dividend of 8 euro cents per share in the total amount of EUR 2.43 million. Dividends were paid to shareholders on 20 May 2022.

FINANCIAL INDICATORS AND RATIOS

Performance indicators (EUR thousand)	Q3 2022	Q3 2021	Change %	9 months 2022	9 months 2021	Change %	12 months 2021
Continuing operations							
For the period							
Sales revenue	15 120	13 265	14%	44 956	37 573	20%	53 516
EBITDA	2 264	2 251	1%	5 096	5 051	1%	8 240
EBITDA margin (%)	15.0%	17.0%		11.3%	13.4%		15.4%
Operating profit /(loss)	1 183	1 401	-16%	2 056	2 563	-20%	4 864
<i>Operating margin (%)</i>	<i>7.8%</i>	<i>10.6%</i>		<i>4.6%</i>	<i>6.8%</i>		<i>9.1%</i>
Interest expenses	(183)	(175)	-4%	(529)	(537)	1%	(709)
Profit /(loss) of joint ventures under the equity method	(107)	42	-354%	(327)	(128)	-156%	(281)
Net profit /(loss) from continuing operations	859	1 145	-25%	1 618	1 823	-11%	4 133
Net margin (%) - continuing operations	5.7%	8.6%		3.6%	4.9%		7.7%
<i>Return on assets (ROA) (%)</i>	<i>4.3%</i>	<i>1.7%</i>		<i>4.3%</i>	<i>1.7%</i>		<i>2.4%</i>
<i>Return on equity (ROE) (%)</i>	<i>7.4%</i>	<i>2.9%</i>		<i>7.4%</i>	<i>2.9%</i>		<i>4.1%</i>
Earnings per share (euro) - continuing operations							
Basic earnings per share	0.0282	0.0377		0.0533	0.0602		0.1362
Diluted earnings per share	0.0273	0.0364		0.0515	0.0581		0.1316

Balance sheet (EUR thousand)	30.09.2022	31.12.2021	Change %
As of the end of the period			
Current assets	17 136	20 553	-17%
Non-current assets	75 104	73 705	2%
Total assets	92 240	94 258	-2%
<i>incl. cash and cash equivalents</i>	<i>6 077</i>	<i>10 962</i>	<i>-45%</i>
<i>incl. goodwill</i>	<i>45 766</i>	<i>45 576</i>	<i>0%</i>
Current liabilities	18 631	20 947	-11%
Non-current liabilities	20 624	19 619	5%
Total liabilities	39 255	40 566	-3%
<i>incl. borrowings</i>	<i>21 888</i>	<i>22 219</i>	<i>-1%</i>
Equity	52 984	53 692	-1%
Net debt	15 812	11 257	40%
Total capital	68 796	64 950	6%

Financial ratios (%)	30.09.2022	31.12.2021	Change %
Equity ratio (%)	57%	57%	0%
Debt to equity ratio (%)	41%	41%	0%
Debt to capital ratio (%)	23%	17%	33%
Total debt/EBITDA ratio	2.64	2.70	-2%
Liquidity ratio	0.92	0.98	-6%

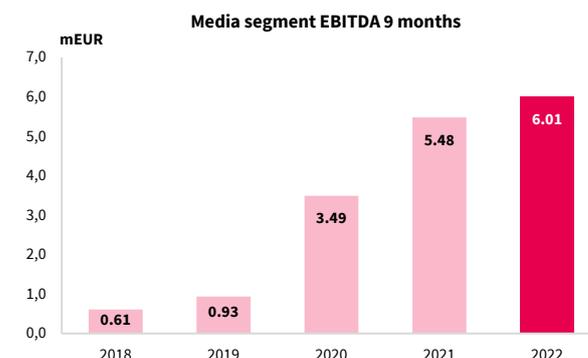
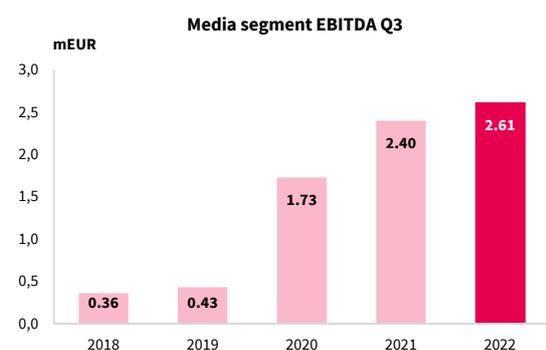
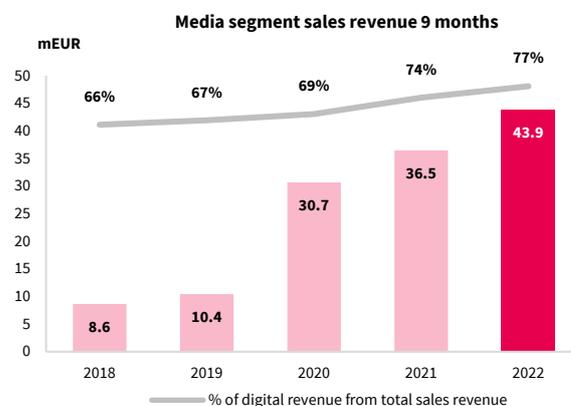
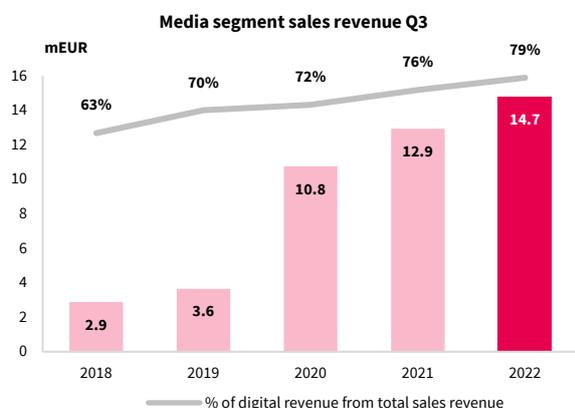
Formulas used to calculate the financial ratios

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 x 100

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			12 months 2021
	Q3 2022	Q3 2021	Change %	9 months 2022	9 months 2021	Change %	
Media segment	14 743	12 925	14%	43 887	36 485	20%	52 093
<i>incl. revenue from all digital and online channels</i>	<i>12 006</i>	<i>10 061</i>	<i>19%</i>	<i>34 586</i>	<i>27 664</i>	<i>25%</i>	<i>40 453</i>
<i>% of revenue from all digital and online channels</i>	<i>81%</i>	<i>78%</i>		<i>79%</i>	<i>76%</i>		<i>78%</i>
Corporate functions	1 161	999	16%	3 343	3 106	8%	4 118
Inter-segment eliminations	(784)	(660)		(2 274)	(2 018)		(2 695)
TOTAL GROUP	15 120	13 265	14%	44 956	37 573	20%	53 516
<i>% of revenue from all digital and online channels</i>	<i>79%</i>	<i>76%</i>		<i>77%</i>	<i>74%</i>		<i>76%</i>

(EUR thousand)	EBITDA						
	Q3 2022	Q3 2021	Change %	9 months 2022	9 months 2021	Change %	12 months 2021
Media segment	2 614	2 401	9%	6 007	5 478	10%	8 927
Corporate functions	(311)	(134)	-132%	(802)	(423)	-90%	(669)
Inter-segment eliminations	(39)	(16)		(109)	(3)		(18)
TOTAL GROUP	2 264	2 251	1%	5 096	5 051	1%	8 240

EBITDA margin	Q3 2022	Q3 2021	9 months 2022	9 months 2021	12 months 2021
Media segment	18%	19%	14%	15%	17%
TOTAL GROUP	15%	17%	11%	13%	15%

MEDIA SEGMENT

In the 3rd quarter of 2022, media segment revenue totalled EUR 14.7 million (Q3 2021: EUR 12.9 million). Revenue increased by 14% as compared to the 3rd quarter last year. In the first 9 months of 2022, media segment revenue totalled EUR 43.9 million (9 months 2021: EUR 36.5 million). In the first 9 months of 2022, revenue increased by 20% as compared to the same period last year. Revenue growth is primarily attributable to the growth in online advertising and digital subscriptions. The advertising market has not significantly increased in terms of its size as compared to the same period last year, but it is the online advertising market that has continued its upward trend as compared to traditional media channels and where group companies have additionally managed to increase their volumes as compared to other market participants. In the first 9 months, revenue growth was strong as compared to the previous year, but it has still been negatively impacted by the war in Ukraine due to which several planned campaigns were postponed by advertising customers in the 1st quarter. At the end of the 3rd quarter of 2022, the Group's digital revenue contributed 77% to total revenue.

The Latvian ticket sales business has been under various operational restrictions for almost two years. From 1 April 2022, all restrictions were lifted in Latvia. The sales activity of the Latvian ticket sales platform has recovered and is stronger due to higher average gross ticket prices as compared to the pre-Covid-19 period.

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 for both 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 granting it the right to rent the real estate properties owned by the City of Riga continues to actively develop its 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, leading to additional advertising sales capabilities for the Group. 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 first 9 months of 2022 totalled EUR 0.15 million.

In December 2021, the Group acquired a 100% ownership interest in the media company Geenius Meedia OÜ. The purpose of the acquisition was to grow the digital media business and expand into a niche which the Group's periodicals do not yet regularly cover. The revenue of Geenius Meedia in the first 9 months of 2022 totalled EUR 1.7 million.

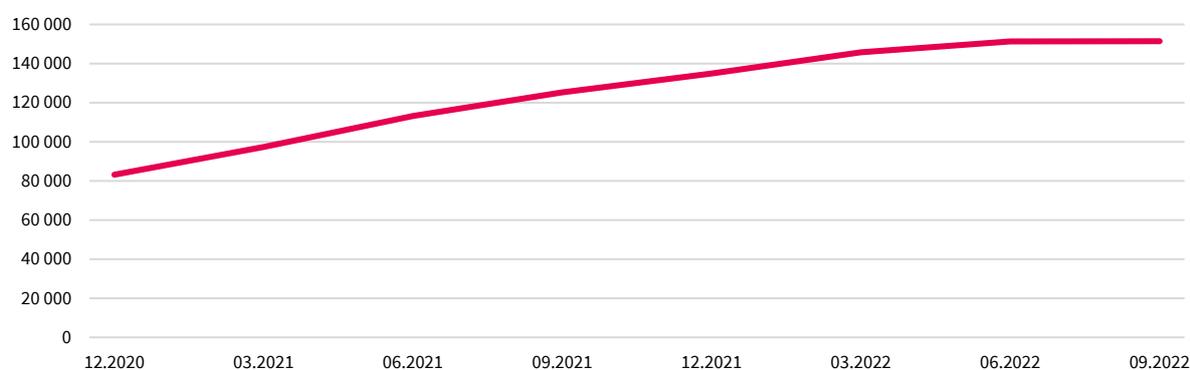
The joint venture Õhtuleht Kirjastus AS, a key media company on the Estonian market, is recognised under the equity method and included as one line item within finance income in the Group's results. In the first 9 months of 2022, the revenue of Õhtuleht Kirjastus AS totalled EUR 10.4 million (9 months 2021: EUR 10.3 million).

DIGITAL SUBSCRIPTIONS

Detailed overview of digital subscriptions:

(number of subscriptions)	30.09.2022	30.06.2022	change	31.12.2021	change	30.09.2021	change
AS Delfi Meedia	77 920	84 072	-7%	74 873	4%	72 860	7%
AS Õhtuleht Kirjastus	23 548	22 281	6%	20 992	12%	19 198	23%
Geenius Meedia OÜ	5 162	4 523	14%	4 100	26%	3 411	51%
Estonia total	106 630	110 876	-4%	99 965	7%	95 469	12%
Delfi AS (Latvia)	21 035	18 190	16%	17 549	20%	15 030	40%
Delfi UAB (Lithuania)	23 765	22 256	7%	17 433	36%	14 786	61%
Ekspress Grupp total	151 430	151 322	0%	134 947	12%	125 285	21%

Digital subscriptions



The number of digital subscriptions of AS Ekspress Grupp increased by 21% in total in the Baltic States year-over-year and totalled 151 430 at the end of September.

- The number of digital subscriptions of AS Delfi Meedia that publishes the news portal Delfi, newspapers Eesti Päevaleht, Maaleht, Eesti Ekspress and several popular magazines increased by 7% year-over-year (3rd quarter: -7%, first 9 months: 4%) and totalled 77 920.
- The number of digital subscriptions of AS Õhtuleht Kirjastus, 50% of which is owned by Ekspress Grupp, increased by 23% year-over-year (3rd quarter: 6%, first 9 months: 12%) and totalled 23 548.
- The number of digital subscriptions of Geenius Meedia OÜ increased by 51% year-over-year (3rd quarter: 14%, first 9 months: 26%) and totalled 5 162.
- In Latvia, the number of digital subscriptions of Delfi A/S increased by 40% year-over-year (3rd quarter: 16%, first 9 months: 20%) and totalled 21 035.
- In Lithuania, the number of digital subscriptions of Delfi increased by 61% year-over-year (3rd quarter: 7%, first 9 months: 36%) and totalled 23 765.

In a year-over-year comparison, the number of digital subscriptions of Ekspress Grupp continued to demonstrate fast growth and reached 21 per cent in total. The number of digital subscriptions of Õhtuleht increased the most which shows that the customer groups who until now had preferred periodicals published on paper are also beginning to consume more and more digital media. In percentage terms, the number of digital subscriptions increased the most in Lithuania and Latvia where the transition to digital subscription models started later than in Estonia and where we also expect to see further growth potential in the near future.

The number of digital subscribers of our company with the largest number of readers Delfi Meedia increased by 7 per cent year-over-year in Estonia. However, it decreased by 7 per cent as compared to the previous quarter. The quarterly drop was related to the one-off decision to cancel intermediation of digital subscriptions to the customers of the telecommunications company Telia and focus directly of the sale of subscriptions to the end customer. We are witnessing a long-term positive effect

of this decision on the revenue growth of Delfi Meedia. Without accounting for the termination of subscriptions of Telia, the number of digital subscriptions of Delfi Meedia increased by 3 per cent in Estonia in the last quarter and by 21 per cent year-over-year.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 30 September 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 30 September 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	2 551 132	8.28%
Members of the Management Boards*	172 954	0.56%
Other minority shareholders	5 073 007	16.47%
Treasury shares	447 076	1.45%
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 as of the report submission date

Mari-Liis Röötsalu holds 36 924 shares.

Kaspar Hanni holds 18 462 shares.

Signe Kukin holds 38 140 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 30 September 2022.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2018 until 30 September 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

At the regular General Meeting of Shareholders of AS Ekspress Grupp held on 2 May 2022, it was decided to pay a dividend of 8 euro cents per share in the total amount of EUR 2.43 million. Dividends were paid to shareholders on 20 May 2022.

Date of the General Meeting	13.06.2017	06.06.2018	04.11.2021	02.05.2022
Period for which dividends are paid	2016	2017	2020	2021
Dividend payment per share (EUR)	6 cents	7 cents	10 cents	8 cents
Total payment of dividends (EUR thousand)	1 787	2 085	3 028	2 425
Dividend pay-out ratio (%) - calculated on the net profit from continuing operations	131%	212%	119%	59%
Dividend pay-out ratio (%)	41%	66%	121%	108%
Date of fixing the list of dividend recipients	29.06.2017	20.06.2018	19.11.2021	16.05.2022
Date of dividend payment	06.07.2017	03.07.2018	23.11.2021	20.05.2022

CORPORATE GOVERNANCE

GROUP'S LEGAL STRUCTURE

As of 30 September 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

On 16 June 2022, AS Ekspress Grupp's 100% subsidiary Geenius Meedia OÜ and OÜ RMP Eesti signed an agreement to acquire the business activities of the RMP.ee portal in Estonia. The merger of RMP to Geenius products increases the amount of information offered to the business user and is an important addition to the content of Ärigeenius and DigiPRO. Organizing of trainings and conferences forms an important part of RMP's activities. Together with the RMP team, Geenius Meedia plans to expand the training activities to the other topics. The acquisition of operations of RMP.ee portal is an organic step in our strategy.

OÜ Ekspress Finants signed a demerger contract on 28 July 2022, according to which OÜ Ekspress Finants will be divided by way of separation. During the demerger, a new company Vaheekspress OÜ will be set up, which will become a wholly-owned subsidiary of AS Ekspress Grupp with the share capital of EUR 2500. The demerger was finalised and Vaheekspress OÜ was registered as of 14 October 2022.

On 28 July 2022, the sole shareholder of OÜ Babahh Media, AS Ekspress Grupp, adopted a decision to terminate the operations of OÜ Babahh Media and launch liquidation proceedings.

In May 2022, UAB Delfi, 100% subsidiary of AS Ekspress Grupp, entered into the contract for the acquisition of the business activities of the news agency ELTA in Lithuania. The acquisition of operations of news agency ELTA is an organic step in our strategy. The main goal of this deal is to strengthen and modernize a news agency with a hundred-year experience so that it becomes a modern, competitive, and objective source of journalism for the Lithuanian media and foreign channels.

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, AS Ekspress Grupp, AS Postimees Grupp and AS Eesti Post entered into a share purchase and sale agreement, whereby AS Eesti Post would have acquired a 100% ownership interest in AS Express Post. The transaction was subject to an approval of the Competition Authority. The latter issued a negative resolution on 5 October 2022, due to which the share purchase and sale transaction will not take effect and the structure of shareholders of AS Express Post will not change. The company employs almost 490 people of whom 450 are newspaper carriers. The ownership interest of Ekspress Grupp in Express Post is 50%.

For the purpose of rearrangement of the Group's structure and arising from the terms and conditions of the loan agreement with AS SEB Pank, Vaheekspress OÜ and Geenius Meedia OÜ entered into a merger agreement on 27 October 2022.

Changes in the management of the Group's subsidiaries

On 24 May 2022, the Supervisory Board of OÜ Hea Lugu decided to recall Tiina Kaalepi from the Management Board as of 1 June 2022. Vallo Kalvik was elected as a member of the Management Board from the same date.

On 6 October 2022, the Supervisory Board of A/S Delfi decided to elect Filip Lastovskis and Maira Meija as the new members of the Management Board from 20th October 2022. The mandates of Ingus Bērziņš and Anatolijs Golubovs were not extended. Starting from 20 October 2022, the Management Board of A/S Delfi will be as follows: Konstantins Kuzikovs (the Chairman of the Board), Filip Lastovskis and Maira Meija.

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 regular General Meeting of Shareholders of AS Ekspress Grupp was held on 2 May 2022 in the seat of the public limited company. All members of the Management Board and the Chairman of Supervisory Board participated in the meeting. The general meeting:

- Approved the 2021 annual report of AS Ekspress Grupp.
- Approved the Profit Distribution Proposal for 2021 to distribute total EUR 2.24 million as follows: to increase statutory reserve by EUR 0.11 million and to pay dividends 8 (eight) euro cents per share in total amount of EUR 2.43 million, of which EUR 2.13 million is distributed from the 2021 profit and EUR 0.29 million distributed from the retained earnings.
- Decided to approve the share buyback program of AS Ekspress Grupp's own shares under the following terms:
 - AS Ekspress Grupp shall have the right to buy back a maximum of 2 500 000 own shares whereby the total amount of the nominal value of the treasury shares owned by the company may not exceed 1/10 of its share capital.
 - AS Ekspress Grupp shall have the right to buy back its own shares in one or multiple transactions via buyback offer(s) targeted at all shareholders within 12 months from the date of adoption of this decision.
 - The minimum amount to be paid for its own shares shall be EUR 0.60 per share and the maximum amount per share shall be the closing price on the Nasdaq Tallinn Stock Exchange plus 20% but not more than EUR 1.90 per share at the trading day preceding the announcement of each respective buyback. The total amount payable for the shares to be bought back pursuant to this decision shall be up to EUR 1 million at most. The acquisition of the shares may not lead to a reduction in net assets below the total amount of share capital and reserves, the payment of which to the shareholders is not be permitted under law or the articles of association.
 - The purpose of the share buyback is to use the attractive market conditions in order to create value for the shareholders. The shares bought back will thereafter be cancelled or used for other purposes (e.g. sale or use of shares for the option program).
- Recalled Mr. Aleksandras Česnavičius from the Supervisory Board.
- Decided to remunerate Priit Rohumaa, the Chairman of the Supervisory Board, as follows: current monthly remuneration of EUR 1000 (gross) to be increased to EUR 3000 (gross) per month.
- Approved the Remuneration Policy for the Executive Management of AS Ekspress Grupp.
- Elected Triin Hertmann as the Member of the Supervisory Board for the five years until 2 May 2027.
- Decided to remunerate Triin Hertmann as follows: a monthly remuneration of 1,350 euros (gross) to be paid.

In August 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 9 August 2022 in the stock exchange information system and on the company's homepage, as well as in the 10 August 2022 issue of newspaper Eesti Päevaleht.

On 31 August 2022, the shareholders of AS Ekspress Grupp adopted the following resolutions:

- Recall of Indrek Kasela from the Supervisory Board
- Election of Sami Jussi Petteri Seppänen as the member of the Supervisory Board for the five years until 31 August 2027.
- Remuneration of Sami Jussi Petteri Seppänen as follows: a monthly remuneration of 1,350 euros (gross) to be paid.

SUPERVISORY BOARD

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

- Priit Rohumaa (chairman)
- Hans H. Luik
- Sami Jussi Petteri Seppänen
- Triin Hertmann

On 2 May 2022 Triin Hertmann was elected as the Member of the Supervisory Board for the five years until 2 May 2027.

The member of the Supervisory Board of AS Ekspress Grupp Aleksandras Česnavičius who was member of the Supervisory Board of AS Ekspress Grupp since 26 October 2016, was recalled from the position of the member of the Supervisory Board of AS Ekspress Grupp on 2 May 2022.

On 31 August 2022 Sami Jussi Petteri Seppänen was elected as the Member of the Supervisory Board for the five years until 31 August 2027.

The member of the Supervisory Board of AS Ekspress Grupp Indrek Kasela who was member of the Supervisory Board of AS Ekspress Grupp since 20 June 2014, was recalled from the position of the member of the Supervisory Board of AS Ekspress Grupp on 31 August 2022.

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 30 September 2022 is shown below:

COMPANY*	SUPERVISORY BOARD	MANAGEMENT BOARD
Delfi Meedia AS (15 213 086)	Hans Luik (chairman), Mari-Liis Rüütsalu, Kaspar Hanni, Signe Kukin	Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Piret Põldoja
Delfi UAB (4 023 354)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Vytautas Benokraitis
SIA Biļešu Paradīze (3 305 283)	-	Jānis Kuzulis (chairman), Jānis Daube
Delfi A/S (Lāti) (4 370 838)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Konstantins Kuzikovs (chairman), Ingus Bērziņš, Anatolijs Golubovs
Ekspress Finants OÜ (18 379 520)	-	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 30 September 2022 is shown in parentheses.

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Consolidated balance sheet (unaudited)

(EUR thousand)	30.09.2022	31.12.2021
ASSETS		
Current assets		
Cash and cash equivalents	6 077	10 962
Trade and other receivables	10 496	9 323
Corporate income tax prepayment	246	2
Inventories	317	266
Total current assets	17 136	20 553
Non-current assets		
Other receivables and investments	1 586	1 671
Deferred tax asset	42	42
Investments in joint ventures	895	1 011
Investments in associates	2 255	2 210
Property, plant and equipment (Note 5)	8 829	7 964
Intangible assets (Note 5)	61 497	60 807
Total non-current assets	75 104	73 705
TOTAL ASSETS	92 240	94 258
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	1 865	3 201
Trade and other payables	16 630	17 664
Corporate income tax payable	136	82
Total current liabilities	18 631	20 947
Non-current liabilities		
Long-term borrowings (Note 6)	20 023	19 018
Other long-term liabilities	601	601
Total non-current liabilities	20 624	19 619
TOTAL LIABILITIES	39 255	40 566
EQUITY		
Minority interest	141	140
Capital and reserves attributable to equity holders of parent company:		
Share capital (Note 11)	18 478	18 478
Share premium	14 277	14 277
Treasury shares (Note 11)	(334)	(384)
Reserves (Note 11)	2 057	1 920
Retained earnings	18 365	19 261
Total capital and reserves attributable to equity holders of parent company	52 843	53 552
TOTAL EQUITY	52 984	53 692
TOTAL LIABILITIES AND EQUITY	92 240	94 258

The Notes presented on pages 25-32 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q3 2022	Q3 2021	9 months 2022	9 months 2021	12 months 2021
Continuing operations					
Sales	15 120	13 265	44 956	37 573	53 516
Cost of sales	(11 272)	(9 849)	(34 712)	(28 543)	(39 674)
Gross profit	3 849	3 415	10 243	9 030	13 842
Other income	209	291	526	609	929
Marketing expenses	(695)	(494)	(2 133)	(1 593)	(2 359)
Administrative expenses	(2 125)	(1 799)	(6 442)	(5 422)	(7 435)
Other expenses	(54)	(13)	(139)	(62)	(113)
Operating profit /(loss)	1 183	1 401	2 056	2 563	4 864
Interest income	9	9	28	25	35
Interest expenses	(183)	(175)	(529)	(537)	(709)
Other finance income/(costs)	(3)	(67)	194	(62)	339
Net finance cost	(177)	(233)	(308)	(574)	(335)
Profit/(loss) on shares of joint ventures	(107)	42	(327)	(128)	(281)
Profit/(loss) on shares of associates	53	16	326	83	161
Profit /(loss) before income tax	953	1 226	1 747	1 944	4 409
Income tax expense	(94)	(81)	(129)	(120)	(276)
Net profit /(loss) from continuing operations	859	1 145	1 618	1 823	4 133
Net profit /(loss) from discontinued operation	0	(2 180)	0	(1 876)	(1 876)
Net profit /(loss) for the reporting period	859	(1 035)	1 618	(53)	2 257
Net profit /(loss) for the reporting period attributable to					
Equity holders of the parent company	857	(1 037)	1 617	(57)	2 243
Minority interest	2	2	1	4	14
Total comprehensive income /(loss)	859	(1 035)	1 618	(53)	2 257
Comprehensive income /(loss) for the reporting period attributable to					
Equity holders of the parent company	857	(1 037)	1 617	(57)	2 243
Minority interest	2	2	1	4	14
Earnings per share (euro) - continuing operations					
Basic earnings per share (Note 9)	0.0282	0.0377	0.0533	0.0602	0.1362
Diluted earnings per share (Note 9)	0.0273	0.0364	0.0515	0.0581	0.1316
Earnings per share (euro)					
Basic earnings per share (Note 9)	0.0282	(0.0343)	0.0533	(0.0019)	0.0742
Diluted earnings per share (Note 9)	0.0273	(0.0331)	0.0515	(0.0018)	0.0716

The Notes presented on pages 25-32 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
Increase of statutory reserve capital	0	0	0	126	(126)	0	0	0
Purchase of treasury shares	0	0	(446)	0	0	(446)	0	(446)
Share options	0	0	271	27	(17)	281	0	281
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>(175)</i>	<i>153</i>	<i>(143)</i>	<i>(165)</i>	<i>0</i>	<i>(165)</i>
Net profit /(loss) for the reporting period	0	0	0	0	(57)	(57)	4	(53)
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(57)</i>	<i>(57)</i>	<i>4</i>	<i>(53)</i>
Balance on 30.09.2021	18 478	14 277	(384)	1 911	19 989	54 271	130	54 401
Balance on 31.12.2021	18 478	14 277	(384)	1 920	19 261	53 552	140	53 692
Increase of statutory reserve capital	0	0	0	110	(110)	0	0	0
Share options	0	0	50	27	22	99	0	99
Dividends paid	0	0	0	0	(2 425)	(2 425)	0	(2 425)
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>50</i>	<i>137</i>	<i>(2 513)</i>	<i>(2 326)</i>	<i>0</i>	<i>(2 326)</i>
Net profit /(loss) for the reporting period	0	0	0	0	1 617	1 617	1	1 618
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1 617</i>	<i>1 617</i>	<i>1</i>	<i>1 618</i>
Balance on 30.09.2022	18 478	14 277	(334)	2 057	18 365	52 843	141	52 984

The Notes presented on pages 25-32 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	9 months 2022	9 months 2021*	12 months 2021*
Cash flows from operating activities			
Operating profit /(loss) for the reporting year	2 056	709	3 060
<u>Adjustments for (non-cash):</u>			
Depreciation and amortisation (Note 5)	3 039	3 349	4 162
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	30	35	(10)
Change in value of share option	27	27	36
Loss on sale of discontinued operation	0	2 077	2 077
Cash flows from operating activities:			
Trade and other receivables	(1 168)	(1 370)	(1 599)
Inventories	(51)	(79)	(33)
Trade and other payables	607	337	1 464
Income tax paid	(319)	(272)	(281)
Interest paid	(327)	(405)	(803)
Net cash generated from operating activities	3 892	4 409	8 073
Cash flows from investing activities			
Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees	(2 600)	(201)	(3 325)
Disposal of discontinued operation, net of cash disposed of	0	6 326	6 326
Receipts of other investments	10	51	51
Interest received	1	3	3
Purchase of property, plant and equipment and intangible assets (Note 5)	(2 891)	(1 901)	(2 786)
Proceeds from sale of property, plant and equipment and intangible assets	60	3	3
Loans granted	(30)	(130)	(212)
Loan repayments received	86	0	156
Dividends received	601	828	828
Net cash used in investing activities	(4 763)	4 978	1 044
Cash flows from financing activities			
Dividends paid	(2 425)	0	(3 028)
Payment of lease liabilities	(1 305)	(1 389)	(1 814)
Loans received / Repayments of bank loans (Note 6)	(284)	(1 455)	864
Purchases of treasury shares	0	(446)	(446)
Net cash used in financing activities	(4 014)	(3 290)	(4 424)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4 885)	6 096	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	6 077	12 364	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 25-32 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. AS Ekspress 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 October 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 30.09.2022	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)					
Delfi Meedia AS	Subsidiary	100%	100%	Online media, publishing of daily and weekly newspapers (formerly named as Ekspress Meedia AS)	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%	Holding company (merged with Bīļešu Paradīze SIA from April 2022)	Latvia
Bīļešu 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
Naujienu agentūra Elta UAB	Subsidiary	100%	-	News agency	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 (in liquidation)	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 3rd quarter and 9 months ended on 30 September 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 3rd quarter and 9 months 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. Business combinations

In May 2022, UAB Delfi, 100% subsidiary of AS Ekspress Grupp, entered into the contract for the acquisition of the business activities of the news agency ELTA in Lithuania. The acquisition of operations of news agency ELTA is an organic step in our strategy. The main goal of this deal is to strengthen and modernize a news agency with a hundred-year experience so that it becomes a modern, competitive, and objective source of journalism for the Lithuanian media and foreign channels.

On 16 June 2022, AS Ekspress Grupp’s 100% subsidiary Geenius Meedia OÜ and OÜ RMP Eesti signed an agreement to acquire the business activities of the RMP.ee portal in Estonia. The merger of RMP to Geenius products increases the amount of information offered to the business user and is an important addition to the content of Ärigeenius and DigiPRO. Organizing of trainings and conferences forms an important part of RMP's activities. Together with the RMP team, Geenius Meedia plans to expand the training activities to the other topics. The acquisition of operations of RMP.ee portal is an organic step in our strategy.

Note 5. Property, plant and equipment and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	9 months 2022	9 months 2021	9 months 2022	9 months 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	3 058	2 907	1 352	1 347
Disposals (at carrying amount)	(22)	(2)	0	0
Write-down, write-off and impairment of non-current assets	(313)	(61)	(132)	(51)
Reclassification	(13)	39	0	(40)
Acquired through business combinations	3	41	662	282
Disposed through business combinations	0	(8 608)	0	(382)
Depreciation and amortisation	(1 846)	(2 260)	(1 192)	(1 089)
Balance at end of the period				
Cost	16 891	12 610	84 026	77 657
Accumulated depreciation and amortisation	(8 062)	(6 419)	(22 529)	(20 955)
Carrying amount	8 829	6 191	61 497	56 702

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 30.09.2022				
Long-term bank loans	11 066	1 410	9 656	0
Notes	5 000	0	0	5 000
Lease liability	5 822	455	5 367	0
Total	21 888	1 865	15 023	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 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.

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 and box offices in Latvia, and production studio for content creation in Lithuania.

This segment includes subsidiaries Delfi 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) – in liquidation, SIA Biļešu Paradīze (Latvia), Videotinklas UAB (Lithuania), News agency ELTA 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.

Q3 2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	14 725	396	0	15 120
Inter-segment sales	18	766	(784)	0
Total segment sales	14 743	1 161	(784)	15 120
EBITDA	2 614	(311)	(39)	2 264
EBITDA margin	18%			15%
Depreciation				1 080
Operating profit /(loss)				1 183
Investments				971

Q3 2021 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	12 910	355	0	13 265
Inter-segment sales	15	645	(660)	0
Total segment sales	12 925	999	(660)	13 265
EBITDA	2 401	(134)	(16)	2 251
EBITDA margin	19%			17%
Depreciation				851
Operating profit /(loss)				1 401
Investments				749

9 months 2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	43 817	1 139	0	44 956
Inter-segment sales	70	2 204	(2 274)	0
Total segment sales	43 887	3 343	(2 274)	44 956
EBITDA	6 007	(802)	(109)	5 096
EBITDA margin	14%			11%
Depreciation				3 039
Operating profit /(loss)				2 056
Investments				4 410

9 months 2021 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	36 441	1 132	0	37 573
Inter-segment sales	44	1 973	(2 018)	0
Total segment sales	36 485	3 106	(2 018)	37 573
EBITDA	5 478	(423)	(3)	5 051
EBITDA margin	15%			13%
Depreciation				2 494
Operating profit /(loss)				2 563
Investments				3 858

Note 8. 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 9. 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	Q3 2022			Q3 2021		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Profit / (loss) attributable to equity holders	856 608	0	856 608	1 142 257	(2 179 612)	(1 037 355)
Average number of ordinary shares at the end of the period	30 338 572	30 338 572	30 338 572	30 282 869	30 282 869	30 282 869
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	1 064 071	1 064 071	1 064 071
Basic earnings per share	0.0282	0.0000	0.0282	0.0377	(0.0720)	(0.0343)
Diluted earnings per share	0.0273	0.0000	0.0273	0.0364	(0.0695)	(0.0331)

EUR	9 months 2022			9 months 2021		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Profit / (loss) attributable to equity holders	1 616 958	0	1 616 958	1 818 961	(1 875 904)	(56 943)
Average number of ordinary shares at the end of the period	30 310 475	30 310 475	30 310 475	30 229 763	30 229 763	30 229 763
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	1 064 071	1 064 071	1 064 071
Basic earnings per share	0.0533	0.0000	0.0533	0.0602	(0.0621)	(0.0019)
Diluted earnings per share	0.0515	0.0000	0.0515	0.0581	(0.0599)	(0.0018)

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	0.1362	(0.0620)	0.0742
Diluted earnings per share	0.1316	(0.0599)	0.0716

Note 10. Share option plan

Program approved in 2017

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

By 30 September 2022, all options under the share option plan approved in 2017 have been exercised. As of 31.12.2021 the balance of issued options of the above mentioned stock option plan was 69 thousand options and the liability amounted to 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 30 September 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. As of 30 September 2022 the number of options issued is 621 thousand.

Upon approving the share option, the option was recognised at its fair value and recognised on the one hand in the profit or loss statement as labour cost and, on the other hand, as a share option reserve in equity. As of 30 September 2022 this reserve totalled EUR 63 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 30 September 2022, the liability of the mentioned share option amounted to EUR 378 thousand (31.12.2021: EUR 378 thousand).

Note 11. Equity and dividends

Share capital

As of 30 September 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 first 9 months of 2022, within the framework of the share option plan the option owners were transferred 66 896. As a result, the balance of treasury shares decreased by EUR 50 thousand.

As of 30 September 2022, the Company had 447 076 treasury shares (31.12.2021: 513 972) in the total amount of EUR 334 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

At the regular general meeting of shareholders of AS Ekspress Grupp held on 2 May 2022, it was decided to pay a dividend of 8 euro cents per share in the total amount of EUR 2.43 million. Dividends were paid to shareholders on 20 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 30 September 2022, it is possible to distribute dividends without income tax payment in the total amount of EUR 22.9 million.

Note 12. 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 AS Ekspress Grupp is Hans H. Luik.

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

(EUR thousand)	9 months 2022		30.09.2022		31.12.2021	
	Sales	Purchases	Receivables	Payables	Receivables	Payables
Companies controlled by the Key Management Personnel*	95	2 181	711	317	717	252
Associates	115	1	141	0	192	0
Joint ventures	1 090	1 544	147	210	145	226
Total	1 300	3 726	999	527	1 055	478

(EUR thousand)	9 months 2021		30.09.2021		31.12.2020	
	Sales	Purchases	Receivables	Payables	Receivables	Payables
Companies controlled by the Key Management Personnel*	29	486	711	282	1	9
Associates	122	21	196	0	186	0
Joint ventures	1 018	1 463	122	213	218	197
Total	1 169	1 970	1 029	495	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 13. Contingent assets and liabilities

On 28 April 2020, Harju County Court forwarded a statement of claim of MM Grupp OÜ to AS Delfi Meedia, in which MM Grupp OÜ demands EUR 2.0 million from AS Delfi 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 Delfi 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 Delfi 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 cassation to the Supreme Court. 13 June 2022, the Supreme Court dismissed the appeal in cassation of MM Grupp OÜ against AS Delfi Meedia pertaining to rebuttal of false data and compensation for damages and MM Grupp OÜ shall bear the costs of the proceedings in the cassation instance.

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 35 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>	28.10.2022
Signe Kukin	member of the Management Board	<i>signed digitally</i>	28.10.2022
Kaspar Hanni	member of the Management Board	<i>signed digitally</i>	28.10.2022

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.

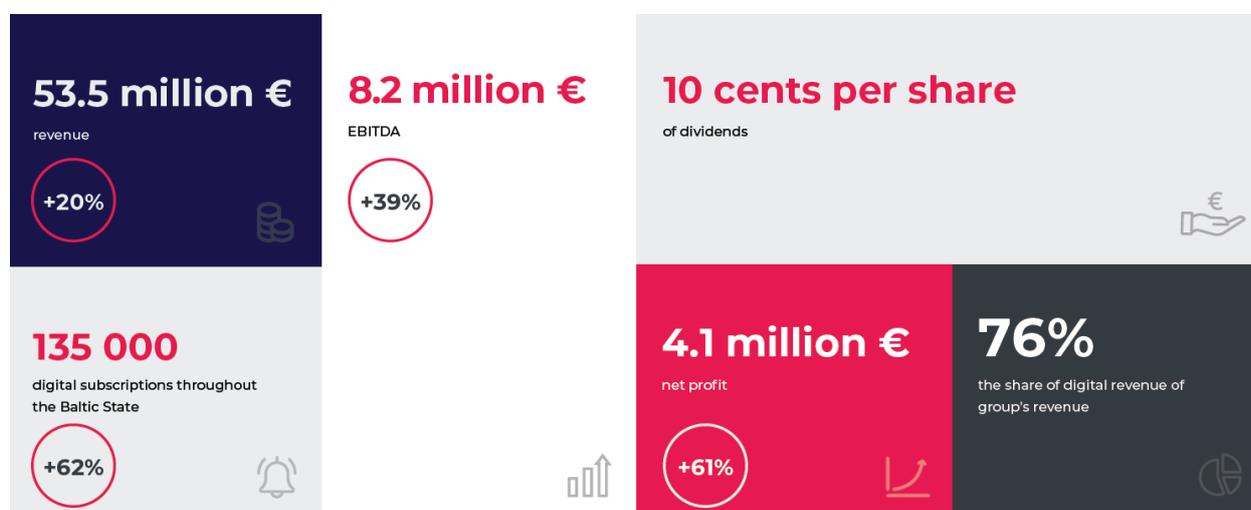
The customers of Ekspress Grupp are divided into three major groups:

- 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

ELTA

 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

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](#)