

EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT FOR Q4 AND 12 MONTHS OF 2023

January - December (unaudited)

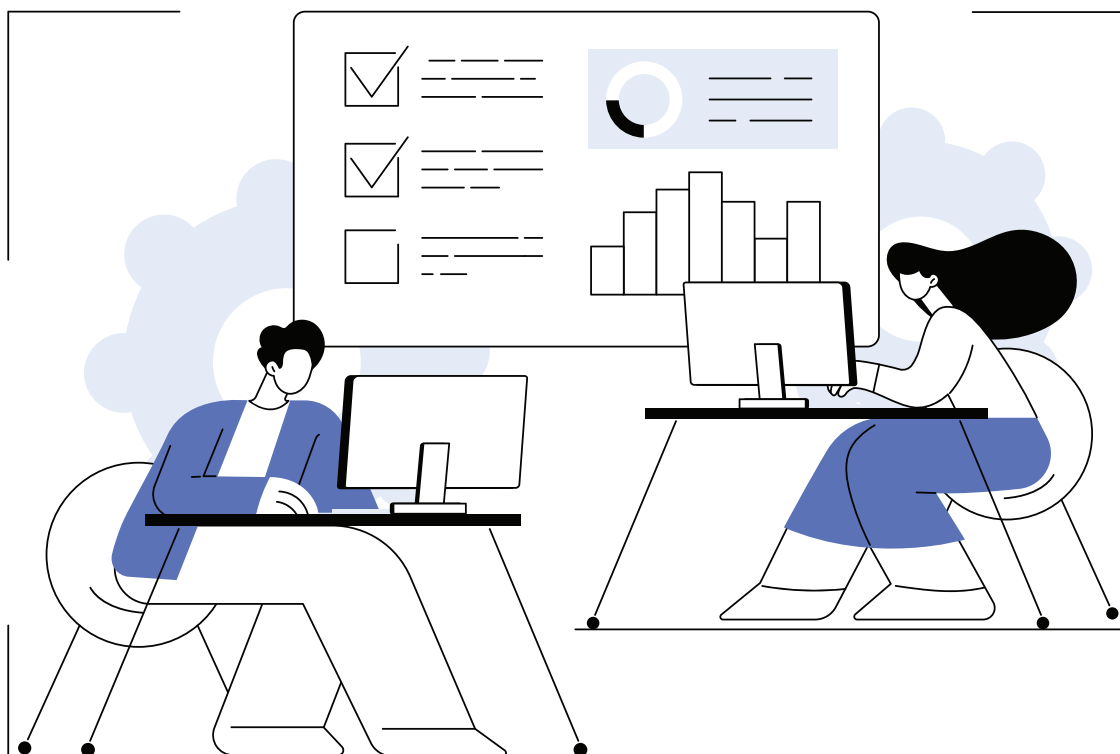


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MANAGEMENT REPORT

SUMMARY OF RESULTS

Q4 2023 in comparison with Q4 2022:

- **Sales revenue** EUR 21.3 million (EUR 19.2 million) +11%
- **The share of digital revenue** of group's revenue 82% (80%)
- **EBITDA** EUR 4.2 million (EUR 3.8 million) +11%
- **Net profit** EUR 2.5 million (EUR 2.4 million) +3%
- **Earnings per share** EUR 0.0837 (EUR 0.0801)

12 months 2023 in comparison with 12 months 2022:

- **Sales revenue** EUR 73.1 million (EUR 64.1 million) +14%
- **The share of digital revenue** of group's revenue 83% (78%)
- **Digital subscriptions** in Baltics 207 thousand (147 thousand) +41%
- **EBITDA** EUR 10.2 million (EUR 8.9 million) +15%
- **Net profit*** EUR 3.7 million (EUR 4.1 million) -9%
- **Earnings per share** EUR 0.1113 (EUR 0.1335)

* Net profit does not include extraordinary expenses (expenditure related to the closure of home delivery business of the joint venture AS Express Post in the amount of EUR 340 thousand) in 2023

MANAGEMENT'S COMMENTS

In the 4th quarter of 2023, the revenue of AS Ekspress Grupp increased by 11% to EUR 21.3 million and EBITDA also increased by 11% to EUR 4.2 million. The revenue for the 12-month period increased by 14% year-over-year to EUR 73.1 million and EBITDA increased by 15% to EUR 10.2 million. The Group's net profit for the 4th quarter totalled EUR 2.5 million and for the 12 months, it totalled EUR 3.7 million. Excluding one-off expenses, it decreased by 9% as compared to the same period last year. The decline in net profit was primarily impacted by higher interest rates related to the increase of Euribor and higher depreciation charges arising from the Group's investments. Digital revenue increased by 21% as compared to the same period last year and made up 83% of the Group's total revenue. The digital subscription revenue of the Group's media companies and the number of people with digital subscriptions increased strongly in all three countries. The revenue of ticket platforms and the advertising revenue of outdoor screens have demonstrated strong growth.

The Group's revenue for the 4th quarter showed strong growth, increasing by 11% as compared to the same period last year. Over the 12-month period, total revenue increased by 14%. If to exclude from revenue the acquisitions made in Lithuania the 2nd half of 2022 (news portal Lrytas and news agency ELTA), the 12-month revenue growth was 9%. Against the backdrop of the general economic slowdown, digital revenue growth has been in an upward trend both in Estonia and Lithuania, and in summary, the growth of total sales revenue is differentiated across all main business segments.

In Latvia, the total market volume decreased and the advertising revenue of Ekspress Grupp earned in Latvia was 6% lower than last year. This decrease has been offset by the revenue growth of the ticket platform and digital screens. The Group's ticket platform has increased sales both through the number of events in the portal as well as the growth in the average ticket price. For example, both the number of tickets sold as well as revenue were boosted by the successful ticket sales of the jubilee song festival held in Riga.

**EBITDA growth of
15% in 12 months
(YOY)**

Over the last year, the Group has gained almost 61 000 new digital subscriptions in the Baltic States, i.e. 41% more as compared to the end of December 2022, reaching 207 000 subscriptions. The Group's digital revenue is increasingly more based on digital subscription revenue, and an even more extensive monthly recurring revenue base is being created without the need for additional sales activity (costs). The average price, which was higher than before, also contributed positively to subscription revenue growth. We have also improved the quality and volume of the content provided by the Group's media companies, to be the leader in the field of digital subscriptions in all Baltic States.

On the Estonian market, the number of digital subscriptions of the largest media company, Delfi Meedia, increased by 20% and surpassed the 100 000-subscriber threshold for the first time in December. If to compare it to the population of Estonia, Delfi has most likely become one of the most successful media companies both in Europe and in the world with its share of digital subscriptions. The Group is moving step by step closer to its strategic goals and wishes to provide paid digital content to at least 340 000 subscribers by the year 2026.

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 4.2 million in the 4th quarter, increasing by 11%. The 12-month EBITDA was EUR 10.2 million, increasing by 15%. Profitability has primarily been driven by successful sales of online advertising and digital subscriptions in Estonia and Lithuania as well as the volume growth of ticket sales platforms and digital outdoor screens.

The net profit for the 12 months of 2023 totalled EUR 3.7 million, being 9% lower as compared to last year. Including one-off extraordinary expenses, the Group earned a profit of EUR 3.4 million in the 12-month period. The decrease in net profit was impacted by the one-off expenses related to the liquidation of the home delivery service of AS Express Post in the amount of EUR 0.3 million. From July 2023, the home delivery service of Express Post has been discontinued and the Group will no longer incur an additional loss from this area in the upcoming periods. In addition, the level of net profit has been affected by higher interest rates related to the increase in Euribor and higher depreciation charges related to the Group's investments. The negative impact of interest costs is twofold and impacts the 12-month results as an additional charge of EUR 0.8 million. The comparative base of 2022 is also higher due to the adjustment of the fair value of the unpaid future commitment related to the ticket sales platform that had been recognised as one-off finance income.

**Shareholder
payments of EUR 2.5
million**

The Group's liquidity is strong, and we consider it important to keep liquidity reserves for both new potential acquisitions as well as an economic downturn. As of 31 December 2023, the Group had monetary funds in the amount of EUR 9.6 million (31.12.2022: EUR 7.4 million). Over the 12-month period, the Group has bought back EUR 1 million shares and paid EUR 1.5 million of dividends to its shareholders. Thus, over the 12-month period of 2023, the Group has made payments to the shareholders in the total amount of EUR 2.5 million. The Management Board will make a proposal regarding the dividends to be paid out of the profit for 2023 along with the notice to call an ordinary general meeting, proceeding from the previously approved dividend policy. The Group will pay out at least 30% of the last year's net profit as dividends under the condition that there will be sufficient monetary funds available to fund key operations and make new strategic investments.

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.

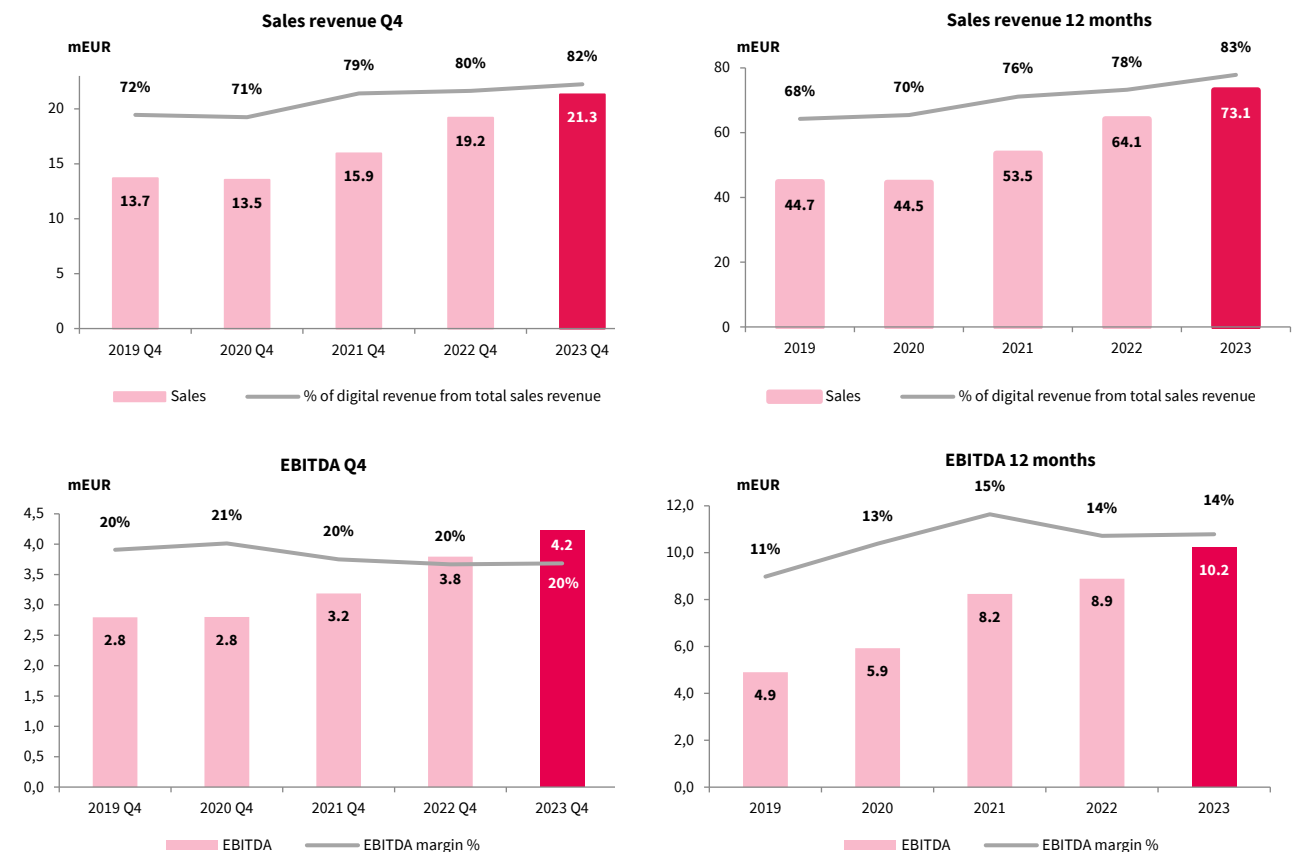
To implement the Group's strategy, our goal remains production of award-winning content valued by our readers and media experts alike while being a leading digital publisher in the Baltic States both in terms of digital subscriptions, the time spent online and the number of actual users. We wish to continue 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. The Group's long-term financial targets have been confirmed on 1 April 2022.

Ekspress Grupp long-term strategic financial targets

Target by end of 2026	2026 target	2023 actual	2022 actual	2021 actual
Digital subscriptions in Baltics	>340 000	207 328	146 608	130 731
Share of digital revenues	>85%	83%	78%	76%
EBITDA margin	>15%	14%	14%	15%
Dividend pay-out rate	≥30%	n/a	37%	59%

Q4 AND 12 MONTHS RESULTS



REVENUE

In the 4th quarter of 2023, the consolidated revenue totalled EUR 21.3 million (Q4 2022: EUR 19.2 million). The revenue for the 4th quarter increased by 11% year-over-year. The consolidated revenue for the 12 months of 2023 totalled EUR 73.1 million (12 months 2022: EUR 64.1 million). The revenue for the 12-month period increased by 14% year-over-year. If to exclude from revenue the acquisitions made in the Lithuania in the 2nd half of 2022 (news portal Lrytas and news agency ELTA), the 12-month revenue growth was 9%. Digital advertising sales have been in an upward trend both in Estonia and Lithuania. This growth has been driven by online advertising revenue and digital subscription revenue. The share of the Group's digital revenue in total revenue was 83% at the end of the 4th quarter of 2023 (at the end of Q4 2022: 78% of total revenue). Digital revenue for the 12 months of 2023 increased by 21% as compared to the same period last year.

PROFITABILITY

In the 4th quarter of 2023, the consolidated EBITDA totalled EUR 4.2 million (Q4 2022: EUR 3.8 million). EBITDA increased by 11% as compared to last year and the EBITDA margin was 20% (Q4 2022: 20%). The consolidated EBITDA for the 12 months of 2023 totalled EUR 10.2 million (12 months 2022: EUR 8.9 million). EBITDA increased by 15% as compared to the previous year and the EBITDA margin was 14% (12 months 2022: 14%). Profitability has been boosted by successful sales of online advertising and digital subscriptions in Estonia and Lithuania, and the volume growth of ticket sales platforms and digital outdoor screens.

The consolidated net profit for the 4th quarter of 2023 totalled EUR 2.5 million (Q4 2022: EUR 2.4 million). The consolidated net profit for the 12 months of 2023, excluding one-off expenses, totalled EUR 3.7 million (12 months 2022: EUR 4.1 million). The consolidated net profit for the 12 months of 2023 decreased by 9% as compared to last year. Including one-off expenses, the consolidated net profit for the 12 months of 2023 totalled EUR 3.4 million. The decrease in net profit is primarily impacted by higher interest rates related to the increase in Euribor and higher depreciation charges related to the Group's investments. The negative impact of interest costs is twofold and impacts the 12-month results as an additional charge of EUR 0.8 million. The 12-month results were impacted by the one-off expenses related to the liquidation of the home delivery service of AS Express Post in the amount of EUR 0.3 million. From July 2023, the home delivery service of Express Post has been discontinued and the Group will no longer incur an additional loss from this area in the upcoming periods.

The comparative base of 2022 is also higher due to the adjustment of fair value of the unpaid future commitment related to the ticket sales platform in the amount of EUR 0.2 million that had been recognised as one-off finance income.

EXPENSES

In the 12 months of 2023, the cost of goods sold, marketing, and general and administrative costs totalled EUR 67.4 million (12 months 2022: EUR 60.0 million). Operating expenses increased by EUR 7.4 million (+12%) as compared to the same period last year. Staff costs in the amount of EUR 5.0 million increased the most (+16%).

In the 12-month period of 2023, the Group employed 976 employees on average which is 92 more as compared to the same period last year (12 months 2022: 884 employees). This growth is attributable to 72 employees who were transferred from the companies acquired, incl. ELTA news agency acquired in Lithuania in May 2022 and the news portal Irytas.lt acquired in December 2022. An additional 20 employees were transferred from other companies in Estonia, Latvia and Lithuania.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 9.6 million and equity in the amount of EUR 56.5 million (53% of total assets). The comparable data as of 31 December 2022 were EUR 7.4 million and EUR 55.4 million (56% of total assets), respectively. As of 31 December 2023, the Group's net debt was EUR 10.6 million (31 December 2022: EUR 13.3 million).

In the 12 months of 2023, the Group's cash flows from operating activities totalled EUR 12.2 million (12 months 2022: EUR 8.0 million) that were positively impacted by the ticket sales platforms in Estonia and Latvia. The key effect came from Latvia where ticket sales volumes are increasing, despite a weaker economic environment.

In the 12 months of 2023, the Group's cash flows from investing activities totalled EUR -3.9 million (12 months 2022: EUR -10.6 million), of which EUR -3.4 million was related to development and acquisition of property, plant and equipment and intangible assets, indicating higher investments in products and technologies. In the 12 months of the year, the Group invested EUR -1.2 million in new LED screens, funded with a finance lease.

In the 12 months of 2023, the Group's cash flows from financing activities totalled EUR -6.2 million (12 months 2022: EUR -0.9 million), of which EUR -1.0 million was the share buy-back and EUR -1.5 million was the dividend payment to the shareholders of AS Ekspress Grupp. Financing activities also include a net change in borrowings in the amount of EUR -1.7 million and lease liabilities in the amount of EUR -2.0 million.

SHARE BUY-BACK AND DIVIDENDS

Within the framework of the share buy-back programme, on 9 March 2023 AS Ekspress Grupp purchased 588 235 shares at the price of EUR 1.70 per share in the total amount of EUR 1.0 million.

At the regular general meeting of shareholders of AS Ekspress Grupp held on 4 May 2023, it was decided to pay a dividend of 5 euro cents per share in the total amount of EUR 1.49 million. Dividends were paid to shareholders on 24 May 2023.

FINANCIAL INDICATORS AND RATIOS

Performance indicators (EUR thousand)	Q4 2023	Q4 2022	Change %	12 months 2023	12 months 2022	Change %
For the period						
Sales revenue	21 313	19 185	11%	73 086	64 141	14%
EBITDA	4 225	3 795	11%	10 217	8 891	15%
EBITDA margin (%)	19.8%	19.8%		14.0%	13.9%	
Operating profit /(loss)	2 962	2 740	8%	5 499	4 797	15%
<i>Operating margin (%)</i>	13.9%	14.3%		7.5%	7.5%	
Interest expenses	(439)	(208)	-111%	(1 499)	(738)	-103%
Profit /(loss) of joint ventures under the equity method	65	85	-23%	(661)	(242)	-173%
Net profit /(loss)*	2 521	2 438	3%	3 691	4 055	-9%
Net margin (%)*	11.8%	12.7%		5.1%	6.3%	
Net profit /(loss) for the period in the financial statements	2 521	2 438	3%	3 351	4 055	-17%
<i>Net margin (%)</i>	11.8%	12.7%		4.6%	6.3%	
<i>Return on assets (ROA) (%)</i>	3.3%	4.3%		3.3%	4.3%	
<i>Return on equity (ROE) (%)</i>	6.2%	7.6%		6.2%	7.6%	
Earnings per share (euro)						
Basic earnings per share	0.0837	0.0801		0.1113	0.1335	
Diluted earnings per share	0.0813	0.0776		0.1081	0.1294	

* does not include expenditure related to the closure of home delivery business of the joint venture AS Express Post in the amount of EUR 340 thousand in 12 months of 2023.

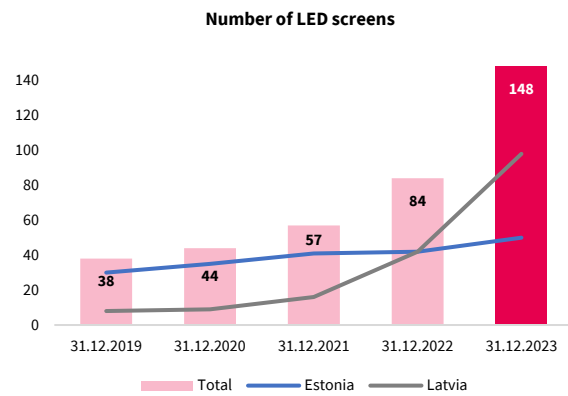
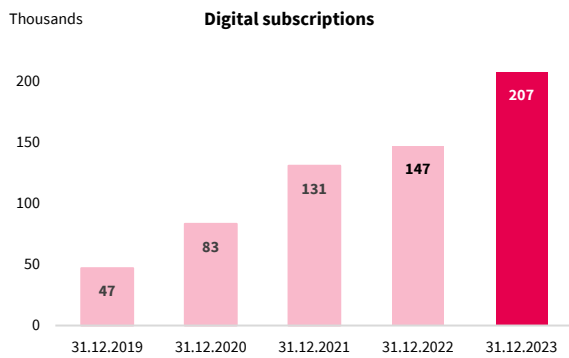
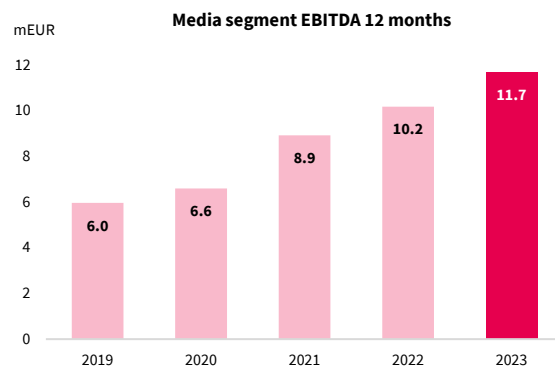
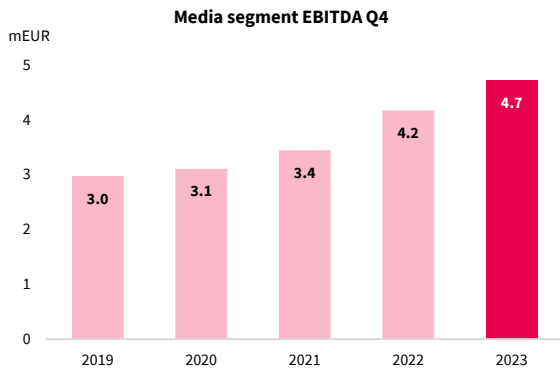
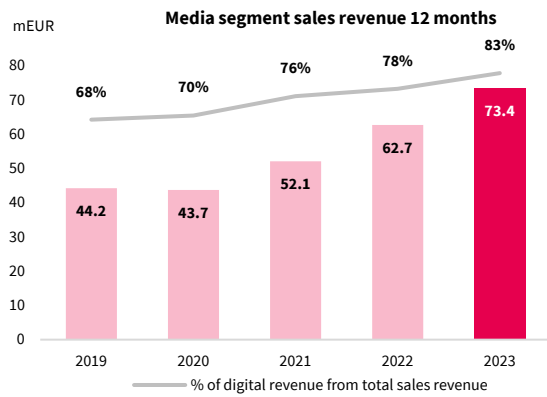
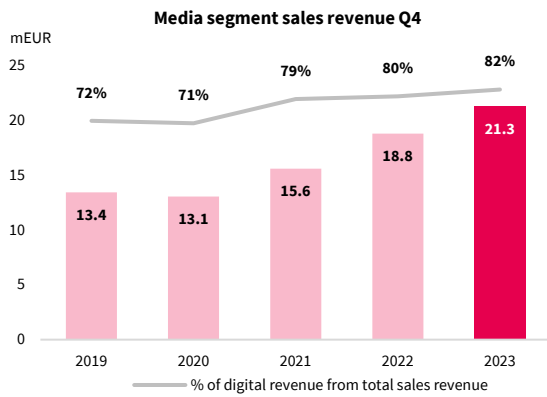
Balance sheet (EUR thousand)	31.12.2023	31.12.2022	Change %
As of the end of the period			
Current assets	23 094	19 444	19%
Non-current assets	82 672	80 392	3%
Total assets	105 766	99 836	6%
<i>incl. cash and cash equivalents</i>	9 606	7 448	29%
<i>incl. goodwill</i>	48 166	48 779	-1%
Current liabilities	27 438	22 422	22%
Non-current liabilities	21 787	21 991	-1%
Total liabilities	49 225	44 413	11%
<i>incl. borrowings (excl. rental liabilities according to IFRS 16)</i>	20 177	20 763	-3%
Equity	56 541	55 423	2%
Net debt	10 570	13 315	-21%
Total capital	67 112	68 738	-2%

Financial ratios (%)	31.12.2023	31.12.2022	Change %
Equity ratio (%)	53%	56%	-4%
Debt to equity ratio (%)	46%	46%	1%
Debt to capital ratio (%)	23%	24%	-7%
Total debt/EBITDA ratio	1.97	2.34	-15%
Liquidity ratio	0.84	0.87	-3%

Formulas used to calculate the financial ratios

EBITDA	Earnings before interest, tax, depreciation and amortisation. EBITDA does not include any impairment losses recognised during the period or result from restructuring.
EBITDA margin (%)	EBITDA/sales x 100
Operating margin (%)	Operating profit /sales x100
Net margin (%)	Net profit /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 (excl. rental liabilities according IFRS 16) /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

SEGMENT OVERVIEW



Key financial indicators for segments

(EUR thousand)	Sales					
	Q4 2023	Q4 2022	Change %	12 months 2023	12 months 2022	Change %
Media segment	21 276	18 803	13%	73 365	62 690	17%
<i>advertising revenue</i>	11 856	11 623	2%	42 074	37 613	12%
<i>subscriptions (incl. single-copy sales)</i>	5 132	4 677	10%	19 016	16 819	13%
<i>marketplaces</i>	1 335	822	62%	3 434	2 232	54%
<i>outdoor screens</i>	1 181	749	58%	3 530	2 396	47%
<i>sale of other goods and services</i>	1 773	933	90%	5 311	3 630	46%
Corporate functions	167	1 157	-86%	2 642	4 500	-41%
Inter-segment eliminations	(131)	(776)		(2 920)	(3 050)	
TOTAL GROUP	21 313	19 185	11%	73 086	64 141	14%
<i>incl. revenue from all digital channels</i>	17 518	15 342	14%	60 460	49 928	21%
<i>% of revenue from all digital channels</i>	82%	80%		83%	78%	

(EUR thousand)	EBITDA					
	Q4 2023	Q4 2022	Change %	12 months 2023	12 months 2022	Change %
Media segment	4 721	4 175	13%	11 695	10 183	15%
Corporate functions	(500)	(319)	-57%	(1 477)	(1 122)	-32%
Inter-segment eliminations	3	(61)		(1)	(171)	
TOTAL GROUP	4 225	3 795	11%	10 217	8 891	15%

EBITDA margin	Q4 2023	Q4 2022	12 months 2023	12 months 2022
Media segment	22%	22%	16%	16%
TOTAL GROUP	20%	20%	14%	14%

MEDIA SEGMENT

The revenue of the media segment in the 4th quarter of 2023 totalled EUR 21.3 million (Q4 2022: EUR 18.8 million). Revenue increased by 13% as compared to the 4th quarter of last year. The 12-month revenue of the media segment totalled EUR 73.4 million (12 months 2022: EUR 62.7 million). Revenue increased by 17% as compared to the same period last year. At the end of the 4th quarter of 2023, digital revenue made up 83% of total revenue (Q4 2022: 78%).

The Group continues to successfully increase its advertising and digital subscription sales volumes both through an increase in the market share as well as the average price. If to exclude from revenue the acquisitions made in Lithuania in the 2nd half of 2022 (news portal Lrytas and news agency ELTA), media segment revenue increased by 12% in the 12-month period.

Advertising

In the 4th quarter, the advertising revenue in Estonia and Lithuania was at an expected level and demonstrated growth while the advertising market remained at the same level as last year. As compared to the same period last year, the advertising market decreased in Latvia where our revenue was 6% lower in the 12-month period as compared to last year. The advertising market in Latvia was impacted by the overall negative economic environment, the effects of which we

have not been seen to such an extent in Estonia and Lithuania. Digital advertising sales have been growing both in Estonia and Lithuania.

Subscriptions

In the 4th quarter, subscription revenue increased by 10% as compared to the same period last year (12 months: 13%). This growth was primarily boosted by higher subscription volumes and the growth in the average price of subscriptions in all media houses. From the Group's point of view, it is important to increase digital subscriptions and thereby lower its dependency on advertising revenue over the long run.

Marketplaces

Under marketplaces, the Group recognises the revenue from ticket sales platforms in Estonia and Latvia. In the 4th quarter, the revenue from ticket sales platforms increased by 62% (12 months: 54%). The key contributor is Latvia, where ticket sales volumes are in an upward trend, despite a weaker economic environment.

Outdoor screens

The advertising revenue from outdoor screens increased by 58% in the 4th quarter and 47% over the 12-months period as compared to last year. The growth has primarily been boosted by the expansion of the outdoor screen network. In the 4th quarter, 4 new screens were added and in the 12-month period, 64 new screens were added. As of 31 December 2023, the Group had a total of 148 outdoor screens, including 98 in Latvia and 50 in Estonia (31.12.2022: total of 84, incl. 42 in Latvia and 42 in Estonia).

DIGITAL SUBSCRIPTIONS

Detailed overview of digital subscriptions:

(number of subscriptions)	31.12.2023	30.09.2023	change	31.12.2022	change
AS Delfi Meedia	102 793	98 982	4%	85 551	20%
AS Õhtuleht Kirjastus	24 875	25 406	-2%	22 530	10%
Geenius Meedia OÜ	6 998	6 466	8%	5 616	25%
Estonia total	134 666	130 854	3%	113 697	18%
Delfi AS (Latvia)	26 427	20 169	31%	14 131	87%
Delfi UAB (Lithuania)	39 872	28 730	39%	18 780	112%
Lrytas UAB (Lithuania)	6 363	-	-	-	-
Ekspress Grupp total	207 328	179 753	15%	146 608	41%

The total number of digital subscriptions of AS Ekspress Grupp increased by 41% in the Baltic States year-over-year (4th quarter: 15%) and totalled 207 328 at the end of December.

- 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 20% year-over-year (4th quarter: 4%) and totalled 102 793.
- The number of digital subscriptions of AS Õhtuleht Kirjastus, 50% of which is owned by Ekspress Grupp, increased by 10% year-over-year (4th quarter: -2%) and totalled 24 875.
- The number of digital subscriptions of Geenius Meedia OÜ increased by 25% year-over-year (4th quarter: 8%) and totalled 6 998.
- In Latvia, the number of digital subscriptions of Delfi A/S increased by 87% year-over-year (4th quarter: 31%) and totalled 26 427.
- In Lithuania, the number of digital subscriptions of Delfi increased by 112% year-over-year (4th quarter: 39%) and totalled 39 872.
- The Lithuanian media portal Lrytas started selling paid content in the 4th quarter of 2023 and reached 6 363 digital subscriptions by the end of December.

AS Ekspress Grupp

Consolidated Interim Report for Q4 and 12 months of 2023

Last year as a whole and especially the last quarter were very successful for the media publications of Ekspress Grupp. The total number of subscriptions increased by 41 per cent in the Baltic States in a year and totalled 207 000 at the end of December.

On the Estonian market, the number of digital subscriptions of the Group's largest media company, Delfi Meedia, increased by 20% in a year and exceeded 100 000 subscriber threshold for the first time in December. Compared to the population of Estonia, Delfi has probably become one of the most successful media companies with a share of digital subscriptions both in Europe and worldwide.

On the Lithuanian and Latvian markets, there was also a certain breakthrough in switching to a digital subscription model, which we have anticipated for a while already. The number of digital subscribers of Delfi in Lithuania more than doubled and totalled almost 40 000 subscriptions by the end of the year. The number of subscriptions of Delfi in Latvia increased by 87 per cent and totalled more than 26 000. The newest Lithuanian media company of Ekspress Grupp, Lrytas, switched to the digital subscription model in the last quarter and had already more than 6 000 subscriptions by the end of the year. These figures demonstrate that, similarly to Estonia, the readers of other Baltic States are also adopting the digital subscription model of journalism and value domestic, independent content produced in their own language.

The digital revenue base of Ekspress Grupp is increasingly based on digital subscription revenue. The Group is making progress in attaining our financial goals and wish to offer digital paid content to at least 340 000 subscribers by the year 2026.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 31 December 2023, the company's share capital is EUR 18 478 105 (31.12.2022: EUR 18 478 105), which is divided into 30 796 841 (31.12.2022: 30 796 841) shares with a 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 December 2023

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	2 492 191	8.09%
Members of the Management Boards*	148 697	0.48%
Other minority shareholders	4 938 915	16.04%
Treasury shares	664 366	2.16%
TOTAL	30 796 841	100.00%

* 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.

Karl Anton does not hold shares.

Argo Rannamets 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).

AS Ekspress Grupp

Consolidated Interim Report for Q4 and 12 months of 2023

The price of the share of Ekspress Grupp (EEG1T) in euros and the trading statistics on NASDAQ Tallinn Stock Exchange from 1 January 2019 until 31 December 2023.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2019 until 31 December 2023.



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 a conservative capital allocation in order to provide the Company with the 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 pay-out rate or not to pay dividends.

Dividends

At the regular general meeting of shareholders of AS Ekspress Grupp held on 4 May 2023, it was decided to pay a dividend of 5 euro cents per share in the total amount of EUR 1.49 million. Dividends were paid to shareholders on 24 May 2023.

Date of the General Meeting	13.06.2017	06.06.2018	04.11.2021	02.05.2022	04.05.2023
Period for which dividends are paid	2016	2017	2020	2021	2022
Dividend payment per share (EUR)	6 cents	7 cents	10 cents	8 cents	5 cents
Total payment of dividends (EUR thousand)	1 787	2 085	3 028	2 425	1 488
Dividend pay-out ratio (%) - calculated on the net profit from continuing operations	131%	212%	119%	59%	37%
Dividend pay-out ratio (%)	41%	66%	121%	108%	37%
Date of fixing the list of dividend recipients	29.06.2017	20.06.2018	19.11.2021	16.05.2022	18.05.2023
Date of dividend payment	06.07.2017	03.07.2018	23.11.2021	20.05.2022	24.05.2023

Share buyback programme

On 8 February 2023, AS Ekspress Grupp announced the buyback of up to 588 235 own shares (share of AS Ekspress Grupp, ISIN EE3100016965, hereinafter referred to as the *share*) from the shareholders at the price of EUR 1.70 per share and in the total amount of 1 million euros.

All shareholders could offer their shares to AS Ekspress Grupp for a buyback at equal terms. The period of placing share redemption orders began on 15th February 2023 and ended yesterday 6th March 2023.

162 investors submitted the orders to sell back 2 077 440 shares in the amount of 3 531 648 euros during the period of placing share redemption orders. As the total amount of the received redemption orders exceeded EUR 1 000 000, AS Ekspress Grupp distributed the shares to be bought back among the offers submitted by the shareholders proportionally (pro rata) so that the total buyback amount does not exceed EUR 1 000 000. As a result of the distribution, each investor can sell back 28.32% of the number of shares submitted in the redemption order.

If a pro rata distribution of shares to be bought back resulted in a number of shares that were not an integer, the corresponding number of shares rounded down to the nearest whole number of shares in accordance with the rounding rules. The balance resulting from the rounding was distributed among the shareholders on a random basis.

The transfer date of the shares and the funds was 9th March 2023.

CORPORATE GOVERNANCE

GROUP'S LEGAL STRUCTURE

As of 31 December 2023, the Group consists of 20 companies (31.12.2022: 23). A detailed list of group companies is disclosed in Note 1 to the financial statements.

Changes in the Group's legal structure

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. The liquidation was registered on 5 April 2023.

At 27 January 2023, the Supervisory Board of AS Express Post in which AS Ekspress Grupp has a 50% ownership interest, to shut down the home delivery business of Express Post during 2023. The company will still provide the call centre service and the management service for the subscriber bases of periodicals that make up ca 7% of the company's former business. The change will neither impact the volume and frequency of publishing the paper periodicals of Ekspress Grupp nor the home delivery conditions for its subscribers. As a result of the closure of the business line, AS Express Post laid off approximately 450 employees. One-off expenditure related to the closure of the business line are recognised in the Group's results for 12 months of 2023 in the amount of EUR 0.3 million. From 3 July 2023, Omniva will provide periodical home delivery service in Tallinn and Harju County.

In April 2023, the Supervisory Board decided to make several changes to the Group's structure, the aim of which is to increase management efficiency and transparency, simplify the Group's legal structure, and make the provision of the central financial services more efficient. The changes will also help meeting the bank's requirements. In Lithuania, the Supervisory Board decided to merge the Group's subsidiary UAB Satyre with UAB Lrytas that was acquired last year. The merger was registered on 18 September 2023. In Estonia, it was decided to merge the Group's wholly-owned subsidiary OÜ Ekspress Finants with the parent company AS Ekspress Grupp. Group-wide financing and accounting services will be provided by the parent company to the Group's subsidiaries in Estonia. According to §421(4) of the Commercial Code, approval of the merger with the merger decision is not required of AS Ekspress Grupp, because 100% of the share capital of the company being merged (Ekspress Finance) belongs to the merging company. A merger decision is necessary if it is requested by the shareholders of the merging joint-stock company, whose shares represent at least 1/20 of share capital. The shareholders of AS Ekspress Grupp had until 28 May 2023 to submit this request. The merger was registered on 28 June 2023.

On 22 June 2023, AS Ekspress Grupp acquired a 100% ownership interest in Hea Lugu OÜ that is engaged in book publishing. Until then, AS Ekspress Grupp owned 66.68% of the company, and 33.32% belonged to AS Ekspress Grupp's joint venture Õhtuleht Kirjastus AS.

These transactions will have no impact on the consolidated profit, assets or liabilities of the AS Ekspress Grupp.

Changes in the management of the Group's subsidiaries

On 19 December 2022, the Supervisory Board of AS Delfi Meedia, the subsidiary of AS Ekspress Grupp, decided to elect Sander Maasik as a new member of the Management Board from the January 1, 2023 until December 31, 2025. Sander Maasik is responsible for the company's advertising area. Starting from January 1, 2023, the Management Board of Delfi Meedia will be as follows: Argo Virkebau (Chairman of the Board), Erle Laak-Sepp, Tarvo Ulejev, Urmo Soonvald, Piret Põldoja and Sander Maasik.

Due to the resignation of the member of the Management Board of AS Ekspress Grupp, Kaspar Hanni, as of February 1, 2023, there were changes in the supervisory and management boards of the key subsidiaries of Ekspress Grupp. The Supervisory Board of AS Delfi Meedia has three members: Hans Luik (chairman), Mari-Liis Rüütsalu and Signe Kukin. The Management Board of OÜ Ekspress Finants has two members: Mari-Liis Rüütsalu and Signe Kukin. Hans Luik will become a member of the Supervisory Board of the Latvian subsidiary A/S Delfi and the Supervisory Board has three members: Mari-Liis Rüütsalu (chairman), Hans Luik and Signe Kukin.

On 3 March 2023, the Supervisory Board of AS Delfi Meedia, the subsidiary of AS Ekspress Grupp, decided to extend the powers of the Management Board members Erle Laak-Sepp and Tarvo Ulejev until June 10, 2026 and the powers of Piret Põldoja until September 1, 2023. The Management Board of Delfi Meedia continued in former composition: Argo Virkebau (Chairman of the Board), Erle Laak-Sepp, Tarvo Ulejev, Urmo Soonvald, Piret Põldoja and Sander Maasik.

On 28 August 2023, the Supervisory Board of AS Delfi Meedia decided to extend the powers of the Management Board member Piret Põldoja until August 31, 2026. The Management Board of Delfi Meedia continues in former composition: Argo Virkebau (Chairman of the Board), Erle Laak-Sepp, Tarvo Ulejev, Urmo Soonvald, Piret Põldoja and Sander Maasik.

On 25 September 2023, the Supervisory Board of A/S Delfi, the Latvian subsidiary of AS Ekspress Grupp, decided to extend the powers of the Management Board member Konstantins Kuzikovs for the next five years. The Management Board of A/S Delfi continues in former composition: Konstantins Kuzikovs (Chairman of the Board), Filips Lastovskis and Maira Meija.

On 28 December 2023, the Supervisory Board of AS Delfi Meedia, the subsidiary of AS Ekspress Grupp, decided to extend the powers of the Management Board member Argo Virkebau until December 31, 2026. The Management Board of Delfi Meedia continues in former composition: Argo Virkebau (Chairman of the Board), Erle Laak-Sepp, Tarvo Ulejev, Urmo Soonvald, Piret Põldoja and Sander Maasik.

Due to the resignation of the member of the Management Board of AS Ekspress Grupp, Signe Kukin, there were changes in the boards of significant subsidiaries of AS Ekspress Grupp from the beginning of September 2023. Karl Anton, a member of the Management Board of Ekspress Grupp, became a new member of AS Delfi Meedia Supervisory Board. The Supervisory Board of Delfi Meedia continues in a composition of three members: Hans Luik (the Chairman), Mari-Liis Rüütsalu and Karl Anton. Karl Anton also became a new member of the Supervisory Board of the Latvian subsidiary A/S Delfi and the Lithuanian subsidiary UAB Delfi. Both Supervisory Board operates with the following composition: Mari-Liis Rüütsalu (the Chairman), Hans Luik and Karl Anton.

GENERAL MEETING OF SHAREHOLDERS

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

The regular General Meeting of Shareholders of AS Ekspress Grupp was held on 4 May 2023 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 2022 annual report of AS Ekspress Grupp.
- Approved the Profit Distribution Proposal for 2022 to distribute total EUR 4.05 million as follows: to increase statutory reserve by EUR 0.20 million, to pay dividends 5 euro cents per share in total amount of EUR 1.49 million and the remaining EUR 2.36 million to be allocated to the retained earnings.

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

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

MANAGEMENT BOARD

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

- Mari-Liis Rüütsalu (chairman)
- Argo Rannamets
- Karl Anton

As of November 1, 2023, Argo Rannamets is a new member of the Management Board of AS Ekspress Grupp until October 31, 2026. Argo Rannamets is a Chief Financial Officer of the Group, and in addition to the Group's daily financial management, his area of responsibility will also include investor relations.

As of June 5, 2023, Karl Anton is a new member of the Management Board of AS Ekspress Grupp until June 5, 2026. Karl Anton is a chief innovation officer of the Group, and he is responsible of Group's innovation activities.

Signe Kukin, the financial director and a member of the Management Board of AS Ekspress Grupp, left the company at her own request on August 31, 2023. Signe Kukin worked as Group financial director and member of the Management Board since August 2018.

Kaspar Hanni, the development director and member of the Management Board of AS Ekspress Grupp, left the company at his own request on February 2, 2023. Kaspar Hanni worked as Group development director and member of the Management Board since December 2017.

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 December 2023 is shown below:

COMPANY*	SUPERVISORY BOARD	MANAGEMENT BOARD
Delfi Meedia AS (14 389 864)	Hans Luik (chairman), Mari-Liis Rüütsalu, Karl Anton	Argo Virkebau (chairman), Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Piret Põldoja, Sander Maasik
Delfi UAB (5 688 315)	Mari-Liis Rüütsalu (chairman), Karl Anton, Hans Luik	Vytautas Benokraitis
SIA Biļešu Paradīze (5 189 714)	-	Jānis Ķuzulis (chairman), Jānis Daube
Delfi A/S (Latvia) (4 291 396)	Mari-Liis Rüütsalu (chairman), Hans Luik, Karl Anton	Konstantīns Kuzikovs (chairman), Filips Lastovskis, Maira Meija
Digital Matter UAB (173 743)	-	Gediminas Blažys

* The amount of equity of the key subsidiary that is held by the owners of the parent company as of 31 December 2023 is shown in parentheses.

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Consolidated statement of financial position (unaudited)

(EUR thousand)	31.12.2023	31.12.2022
ASSETS		
Current assets		
Cash and cash equivalents	9 606	7 448
Trade and other receivables	13 143	11 661
Corporate income tax prepayment	24	49
Inventories	321	286
Total current assets	23 094	19 444
Non-current assets		
Other receivables and investments	1 628	1 580
Deferred tax asset	130	60
Investments in joint ventures	851	1 017
Investments in associates	2 197	2 279
Property, plant and equipment (Note 4)	10 384	8 736
Intangible assets (Note 4)	67 482	66 720
Total non-current assets	82 672	80 392
TOTAL ASSETS	105 766	99 836
LIABILITIES		
Current liabilities		
Borrowings (Note 5)	4 353	3 393
Trade and other payables	23 046	19 004
Corporate income tax payable	39	25
Total current liabilities	27 438	22 422
Non-current liabilities		
Long-term borrowings (Note 5)	21 765	21 948
Other long-term liabilities	22	43
Total non-current liabilities	21 787	21 991
TOTAL LIABILITIES	49 225	44 413
EQUITY		
Minority interest	0	147
Capital and reserves attributable to equity holders of parent company:		
Share capital (Note 9)	18 478	18 478
Share premium	14 277	14 277
Treasury shares (Note 9)	(1 057)	(334)
Reserves (Note 9)	2 285	2 059
Retained earnings	22 558	20 796
Total capital and reserves attributable to equity holders of parent company	56 541	55 276
TOTAL EQUITY	56 541	55 423
TOTAL LIABILITIES AND EQUITY	105 766	99 836

The Notes presented on pages 26-33 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q4 2023	Q4 2022	12 months 2023	12 months 2022
Sales	21 313	19 185	73 086	64 141
Cost of sales	(14 915)	(13 473)	(55 046)	(48 185)
Gross profit	6 398	5 712	18 040	15 956
Other income	234	263	581	789
Marketing expenses	(792)	(847)	(2 803)	(2 979)
Administrative expenses	(2 402)	(2 381)	(9 582)	(8 823)
Other expenses	(475)	(7)	(737)	(146)
Operating profit /(loss)	2 962	2 740	5 499	4 797
Interest income	29	9	60	36
Interest expenses	(439)	(208)	(1 499)	(738)
Other finance income/(costs)	(20)	(14)	(55)	179
Net finance cost	(431)	(214)	(1 494)	(523)
Profit/(loss) on shares of joint ventures	65	85	(661)	(242)
Profit/(loss) on shares of associates	44	(1)	239	325
Profit /(loss) before income tax	2 640	2 610	3 583	4 357
Income tax expense	(119)	(173)	(232)	(302)
Net profit /(loss) for the reporting period	2 521	2 438	3 351	4 055
Net profit /(loss) for the reporting period attributable to				
Equity holders of the parent company	2 522	2 431	3 349	4 048
Minority interest	0	7	2	7
Total comprehensive income /(loss)	2 521	2 438	3 351	4 055
Comprehensive income /(loss) for the reporting period attributable to				
Equity holders of the parent company	2 522	2 431	3 349	4 048
Minority interest	0	7	2	7
Earnings per share (euro) (Note 7)				
Basic earnings per share	0.0837	0.0801	0.1113	0.1335
Diluted earnings per share	0.0813	0.0776	0.1081	0.1294

The Notes presented on pages 26-33 form an integral part of the consolidated interim report.

Consolidated statement of changes in equity (unaudited)

(EUR thousand)	Attributable to equity holders of parent company						Minority interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total		
Balance on 31.12.2021	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	29	22	101	0	101
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>139</i>	<i>(2 513)</i>	<i>(2 324)</i>	<i>0</i>	<i>(2 324)</i>
Net profit /(loss) for the reporting period	0	0	0	0	4 048	4 048	7	4 055
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4 048</i>	<i>4 048</i>	<i>7</i>	<i>4 055</i>
Balance on 31.12.2022	18 478	14 277	(334)	2 059	20 796	55 276	147	55 423
Increase of statutory reserve capital	0	0	0	200	(200)	0	0	0
Share options	0	0	277	26	101	404	0	404
Purchase of treasury shares	0	0	(1 000)	0	0	(1 000)	0	(1 000)
Dividends paid	0	0	0	0	(1 488)	(1 488)	0	(1 488)
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>(723)</i>	<i>226</i>	<i>(1 587)</i>	<i>(2 084)</i>	<i>0</i>	<i>(2 084)</i>
Net profit /(loss) for the reporting period	0	0	0	0	3 349	3 349	2	3 351
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3 349</i>	<i>3 349</i>	<i>2</i>	<i>3 351</i>
Transactions with minority interest	0	0	0	0	0	0	(149)	(149)
Balance on 31.12.2023	18 478	14 277	(1 057)	2 285	22 558	56 541	0	56 541

The Notes presented on pages 26-33 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	12 months 2023	12 months 2022
Cash flows from operating activities		
Operating profit /(loss) for the reporting year	5 499	4 797
<u>Adjustments for (non-cash):</u>		
Depreciation and amortisation (Note 4)	4 719	4 084
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	387	29
Change in value of share option	26	29
Cash flows from operating activities:		
Trade and other receivables	(1 539)	(1 939)
Inventories	(35)	(9)
Trade and other payables	4 921	2 188
Income tax paid	(263)	(401)
Interest paid	(1 476)	(767)
Net cash generated from operating activities	12 239	8 011
Cash flows from investing activities		
Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees	(1 469)	(7 632)
Receipts of other investments	13	10
Interest received	28	2
Purchase of property, plant and equipment and intangible assets (Note 4)	(3 391)	(3 748)
Proceeds from sale of property, plant and equipment and intangible assets	275	66
Loans granted	0	(30)
Loan repayments received	8	86
Dividends received	674	601
Net cash used in investing activities	(3 862)	(10 645)
Cash flows from financing activities		
Dividends paid	(1 488)	(2 425)
Payment of lease liabilities	(2 004)	(1 751)
Loans received / Repayments of bank loans (Note 5)	(1 727)	3 296
Purchases of treasury shares	(1 000)	0
Net cash used in financing activities	(6 219)	(880)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	2 158	(3 514)
Cash and cash equivalents at the beginning of the period	7 448	10 962
Cash and cash equivalents at the end of the period	9 606	7 448

The Notes presented on pages 26-33 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 15 February 2024. The interim consolidated financial statements of AS Ekspress Grupp (hereinafter the Group) reflect the results of operations of the following group companies.

Company name	Status	Ownership interest 31.12.2023	Ownership interest 31.12.2022	Main field of activity	Domicile
Operating segment: corporate functions					
Ekspress Grupp AS	Parent company			Holding company and support services	Estonia
Ekspress Finants OÜ	Subsidiary	-	100%	Financing and book-keeping services (merged with Ekspress Grupp AS on 28.06.2023)	Estonia
Operating segment: media (online and print media)					
Delfi 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
Biļešu Paradīze SIA	Subsidiary	100%	100%	Operation of the electronic ticket platform and box offices	Latvia
Altero SIA	Associate	25.48%	25.48%	Financial comparison and brokerage platform	Latvia
Delfi UAB	Subsidiary	100%	100%	Online media	Lithuania
Naujienų agentūra Elta UAB	Subsidiary	100%	100%	News agency	Lithuania
Sport Media UAB	Subsidiary	51%	51%	Currently dormant	Lithuania
Satyre UAB	Subsidiary	-	100%	Holding company (merged with Lrytas UAB on 18.09.2023)	Lithuania
Lrytas UAB	Subsidiary	100%	100%	Online media	Lithuania
Hea Lugu OÜ	Subsidiary	100%	83%	Book publishing	Estonia
Eesti Audiaraamatute 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%	Sale of video production, media and infrastructure solutions (liquidated on 05.04.2023)	Estonia
Õhtuleht Kirjastus AS	Joint venture	50%	50%	Newspaper and magazine publishing	Estonia
Express Post AS	Joint venture	50%	50%	Home delivery of periodicals (until 3 July 2023) and call centre services	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 4th quarter and 12 months ended on 31 December 2023 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 2022.

The Management Board estimates that the interim consolidated financial statements for the 4th quarter and 12 months 2023 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 2022.

Note 3. 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 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	
	12 months 2023	12 months 2022	12 months 2023	12 months 2022
Balance at beginning of the period				
Cost	17 324	14 493	89 406	82 081
Accumulated depreciation and amortisation	(8 588)	(6 529)	(22 686)	(21 274)
Carrying amount	8 736	7 964	66 720	60 807
Acquisitions and improvements	4 496	4 153	3 441	2 024
Disposals (at carrying amount)	(1)	(23)	(379)	0
Write-down, write-off and impairment of non-current assets	(126)	(914)	(302)	(136)
Reclassification	0	(13)	0	0
Acquired through business combinations	0	16	0	5 663
Depreciation and amortisation	(2 721)	(2 446)	(1 997)	(1 638)
Balance at end of the period				
Cost	21 170	17 324	91 845	89 406
Accumulated depreciation and amortisation	(10 786)	(8 588)	(24 363)	(22 686)
Carrying amount	10 384	8 736	67 482	66 720

Note 5. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term	
		Up to 1 year	Between 1-5 years
Balance as of 31.12.2023			
Long-term bank loans	12 919	2 245	10 674
Notes	5 000	0	5 000
Lease liability	8 199	2 108	6 091
Total	26 118	4 353	21 765
Balance as of 31.12.2022			
Long-term bank loans	14 646	1 728	12 918
Notes	5 000	0	5 000
Lease liability	5 695	1 665	4 030
Total	25 341	3 393	21 948

Note 6. Segment reporting

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

Media segment: management of online news portals and classified portals, advertising sales in own portals in the Baltics and publishing of newspapers, magazines, customer and advertising fliers, publishing and publication of books as well as sale of digital outdoor advertising in Estonia and Latvia. The media segment also includes organisation of the technology and innovation conference *Login* in Lithuania and operation of the electronic ticket sales platform and box offices in Latvia and Estonia, 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), SIA Biļešu Paradīze (Latvia), Videotinklas UAB (Lithuania), News agency ELTA UAB (Lithuania – since May 2022), Lrytas UAB (Lithuania – since December 2022) 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 accounting services to its 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.

Q4 2023 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	21 254	58	0	21 313
Inter-segment sales	22	109	(131)	0
Total segment sales	21 276	167	(131)	21 313
EBITDA	4 721	(500)	3	4 225
EBITDA margin	22%			20%
Depreciation				1 263
Operating profit /(loss)				2 962
Investments				3 241

Q4 2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	18 770	415	0	19 185
Inter-segment sales	33	742	(776)	0
Total segment sales	18 803	1 157	(776)	19 185
EBITDA	4 175	(319)	(61)	3 795
EBITDA margin	22%			20%
Depreciation				1 050
Operating profit /(loss)				2 740
Investments				1 720

12 months 2023 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	72 265	821	0	73 086
Inter-segment sales	1 100	1 820	(2 920)	0
Total segment sales	73 365	2 642	(2 920)	73 086
EBITDA	11 695	(1 477)	(1)	10 217
EBITDA margin	16%			14%
Depreciation				4 719
Operating profit /(loss)				5 499
Investments				7 937

12 months 2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	62 587	1 554	0	64 141
Inter-segment sales	103	2 946	(3 050)	0
Total segment sales	62 690	4 500	(3 050)	64 141
EBITDA	10 183	(1 122)	(171)	8 891
EBITDA margin	16%			14%
Depreciation				4 084
Operating profit /(loss)				4 797
Investments				6 177

Note 7. Earnings per share

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

Diluted earnings per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period, taking into account the number of

shares potentially issued. Treasury shares owned by the Parent Company are not taken into account as shares outstanding.

EUR	Q4 2023	Q4 2022	12 months 2023	12 months 2022
Profit / (loss) attributable to equity holders	2 520 696	2 430 854	3 349 108	4 047 812
Average number of ordinary shares at the end of the period	30 132 475	30 349 765	30 097 751	30 320 378
Number of ordinary shares potentially issued as the part of option program at the end of the period	876 058	958 617	876 058	958 617
Basic earnings per share	0.0837	0.0801	0.1113	0.1335
Diluted earnings per share	0.0813	0.0776	0.1081	0.1294

Note 8. Share option plan

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 December 2023 total amount of share options granted was 876 thousand (31.12.2022: 959 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. On 8 February 2024 the management board of AS Ekspress Grupp proposed to the shareholders to amend the share option program approved on 29.09.2020, according to which the exercise of the options and issuance of the shares shall be performed by transferring AS Ekspress Grupp's own shares to the option holder and/or by an increasing of the share capital of EG and issuing of new shares to the option holder. As of 31 December 2023 the number of options issued is 876 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 31 December 2023 this reserve totalled EUR 91 thousand (31.12.2022 EUR 65 thousand).

Program approved in 2022

In February 2022, the General Meeting of Shareholders approved a new share option plan that entitled 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. 371 thousand options were issued within the share option plan, each of which grants the right to receive one share of the company free of charge. All options were exercised in May 2023 in exchange for the own shares of Ekspress Grupp. The program enabled 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.

Note 9. Equity and dividends

Share capital

As of 31 December 2023, the company's share capital is EUR 18 478 105 (31.12.2022: EUR 18 478 105), which is divided into 30 796 841 (31.12.2022: 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

At the end of 2022, the Group had 447 076 treasury shares. During the reporting period, the Group has made the following transactions:

- In March 2023, within the framework of the share buyback program, AS Ekspress Grupp bought back 588 235 shares at a price of 1.70 euros per share in the total amount of EUR 1.0 million on 9 March 2023.
- In May 2023, within the framework of the share option plan the option owners were transferred 370 945 shares. As a result, the balance of treasury shares decreased by EUR 277 thousand in the Group's balance sheet.

As of 31 December 2023, the Company had 664 366 treasury shares (31.12.2022: 447 076) in the total amount of EUR 1 057 thousand (31.12.2022: EUR 334 thousand).

The total amount of the nominal value of the treasury shares owned by AS Ekspress Grupp may not exceed 1/10 of its share capital.

Dividends

At the regular general meeting of shareholders of AS Ekspress Grupp held on 4 May 2023, it was decided to pay a dividend of 5 euro cents per share in the total amount of EUR 1.49 million. Dividends were paid to shareholders on 24 May 2023.

As of 31 December 2023, it is possible to distribute dividends without income tax payment in the total amount of EUR 22.7 million.

Note 10. 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)	12 months 2023		31.12.2023	
	Sales	Purchases	Receivables	Payables
Companies controlled by the Key Management Personnel	167	2 962	706	367
Associates	126	13	67	1
Joint ventures	836	950	51	16
Total	1 129	3 925	824	384

(EUR thousand)	12 months 2022		31.12.2022	
	Sales	Purchases	Receivables	Payables
Companies controlled by the Key Management Personnel	124	3 084	712	171
Associates	162	2	133	1
Joint ventures	1 492	2 077	166	236
Total	1 778	5 163	1 011	408

Note 11. Events after the balance sheet date

In December 2023, AS Õhtuleht Kirjastus, 50% of which owned by AS Ekspress Grupp, entered into a contract to acquire a 100% ownership interest in AS Express Post, which is equally owned by the two largest Estonian media companies, AS Ekspress Grupp and AS Postimees Grupp.

The owners of Express Post, which used to operate in the business of home delivery of printed periodicals across Estonia, decided to close the home delivery business at the beginning of 2023, and the company has continued to provide call centre and subscriber database management services to periodicals.

The transaction will close no later than 30 April, 2024, if the conditions for the completion of the transaction are met.

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 36 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>	15.02.2024
Argo Rannamets	member of the Management Board	<i>signed digitally</i>	15.02.2024
Karl Anton	member of the Management Board	<i>signed digitally</i>	15.02.2024

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.

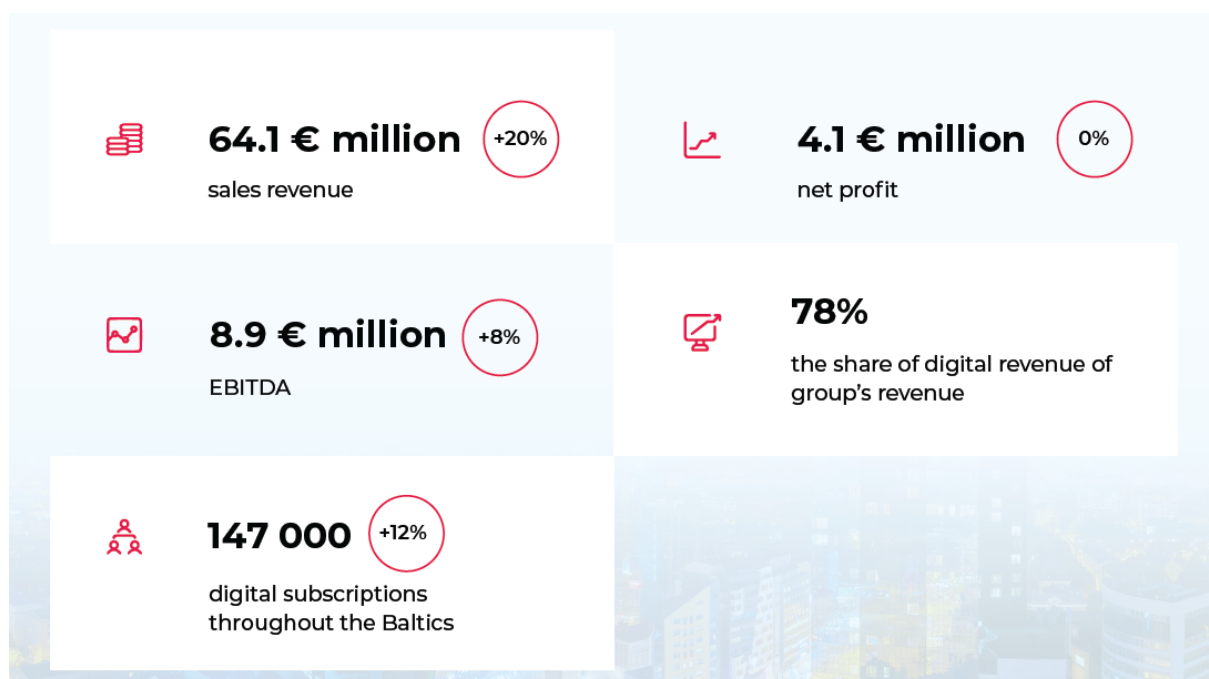
- **Key activity:** production of journalistic content and sale of advertisements to digital platforms in all Baltic States. Publishing of newspapers, magazines and books in Estonia.
- **Key activities are supported by** IT development, solutions of audio-visual production, rental of advertising space, home delivery of paper periodicals.
- **Development of digital business lines:** At the end of 2022, digital products/services contributed 78% to the Group's total revenue (2021: 76%).
- 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.

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 (2022)



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*Brands that AS Ekspress Grupp owns or has invested in

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