

JANUARY – SEPTEMBER 2023 | Unaudited



EKSPRESS GRUPP

Consolidated interim report for
Q3 and 9 months of 2023

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MANAGEMENT REPORT

SUMMARY OF RESULTS

Q3 2023 in comparison with Q3 2022:

- **Sales revenue** EUR 16.5 million (EUR 15.1 million) +9%
- **The share of digital revenue** of group's revenue 86% (79%)
- **EBITDA** EUR 2.4 million (EUR 2.3 million) +8%
- **Net profit** EUR 0.95 million (EUR 0.86 million) +10%
- **Earnings per share** EUR 0.0315 (EUR 0.0282)

9 months 2023 in comparison with 9 months 2022:

- **Sales revenue** EUR 51.8 million (EUR 45.0 million) +15%
- **The share of digital revenue** of group's revenue 83% (77%)
- **Digital subscriptions** in Baltics 180 thousand (138 thousand) +30%
- **EBITDA** EUR 6.0 million (EUR 5.1 million) +18%
- **Net profit*** EUR 1.2 million (EUR 1.6 million) -28%
- **Earnings per share** EUR 0.0275 (EUR 0.0533)

* 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)

MANAGEMENT'S COMMENTS

The revenue of AS Ekspress Grupp for the 3rd quarter of 2023 increased by 9% to EUR 16.5 million and EBITDA increased by 8% to EUR 2.4 million. The revenue for the first 9 months of 2023 increased by 15% to EUR 51.8 million and EBITDA increased by 18% to EUR 6.0 million as compared to last year. The Group's net profit for the 3rd quarter totalled EUR 0.9 million and for the first 9 months, EUR 1.2 million, decreasing by 28% year-over-year without taking into consideration one-off expenses. The decrease in net profit is mainly influenced by interest rates that have increased due to the increase in Euribor and the increase in depreciation expenses resulting from the Group's investments. Digital revenue increased by 24% as compared to the same period last year and made up 83% of the Group's total revenue. The income from digital subscriptions of the Group's media companies and the number of people with digital subscriptions grew strongly in all three countries during the year. The sales revenue from ticket platforms and advertising revenue from outdoor screens have increased strongly.

The Group's revenue growth for the 3rd quarter was strong, increasing by 9% as compared to the same period last year. Total revenue growth was 15% in the nine-month period. Excluding from revenue the acquisitions made in Lithuania (news portal Lrytas and news agency ELTA) in the second half of 2022, revenue growth for the first 9 months was also 9%. Digital advertising sales have been in an upward trend both in Estonia and Lithuania.

In Latvia, the total market volume decreased, and the advertising revenue earned by Ekspress Grupp in Latvia is about 7% lower than last year. This decrease has been offset by higher sales revenue from the ticket platform and digital screens. The ticket platform, which is part of the Group, has increased its sales both through the number of events on the portal as well as through the increase of the average ticket price.

We remain moderately cautious regarding the end of the year, as the higher level of interest rates may affect people's consumption and thereby advertising sales volumes. Until now, the advertising market has behaved rather positively, and there have been no significant volume reductions by customers.

Over the past year, the Group has gained nearly 42 000 readers with digital subscriptions in the Baltic States, or 30% more than at the end of September last year, reaching 180 thousand subscriptions. The Group's digital revenue base is increasingly based on the sales revenue from digital subscriptions. The ability to increase the average price also contributed to the subscriber revenue growth. We have also strengthened the quality and volume of content offered by the Group's media companies to be the leader in the field of digital subscriptions in all Baltic States. The Group is moving towards its strategic financial goals and wishes to offer digital paid content to at least 340 000 subscribers by 2026.

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 2.4 million in the 3rd quarter, increasing by 8%. The EBITDA for the first 9 months totalled EUR 6.0 million, increasing by 18%. Profitability has been positively impacted 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 net profit for first 9 months of 2023 totalled EUR 1.2 million, which is 28% lower as compared to last year. Including one-off extraordinary expenses, the Group earned a profit of EUR 0.8 million in the first 9 months. Lower net profit is primarily attributable to one-off expenses related to the liquidation of Express Post and unprofitable operations in the amount of EUR -0.6 million in the first half of the year. The home delivery service of Express Post was terminated in the first half of the year, and the one-off liquidation expenses and unprofitable operations will no longer be reflected in the Group's upcoming quarters. In addition, the level of net profit has been impacted by higher interest rates due to the increase in Euribor and higher depreciation expenses due to the Group's investments. The negative effect of interest expenses is twofold, impacting the results for the first 9 months as an additional expense of EUR 0.5 million. The net profit for the first 9 months of 2022, which is the basis for comparison, also included a one-off extraordinary financial income of EUR 0.2 million resulting from the purchase price adjustment of the ticket sales environment.

**Shareholder
payments of EUR 2.5
million**

The Group's liquidity is solid, and we consider it important to keep liquidity reserves for any potential new acquisitions as well as for a potential economic cooldown. As of 30 September 2023, the Group's monetary funds totalled EUR 6.1 million (31.12.2022: EUR 7.4 million). Over the 9-month period, the Group has repurchased shares in the total amount of 1 million and paid dividends to the shareholders in the amount of EUR 1.5 million. Thus, in first 9 months of 2023 the Group has made payments to the shareholders in the total amount of EUR 2.5 million.

**EBITDA growth of
18% in the first 9
months (YOY)**

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	2022 actual	2021 actual
Digital subscriptions in Baltics	>340 000	146 608	130 731
Share of digital revenues	>85%	78%	76%
EBITDA margin	>15%	14%	15%
Dividend pay-out rate	≥30%	37%	59%

Q3 AND 9 MONTHS RESULTS



REVENUE

In the 3rd quarter of 2023, the consolidated revenue totalled EUR 16.5 million (Q3 2022: EUR 15.1 million). The revenue for the 3rd quarter increased by 9% year-over-year. The consolidated revenue for the first 9 months of 2023 totalled EUR 51.8 million (9 months 2022: EUR 45.0 million). The revenue for the first 9 months of the year increased by 15% as compared to the previous year. This growth was attributable to both online advertising revenue as well as digital subscription revenue. The share of the Group's digital revenue in total revenue was 83% in the first 9 months of 2023 (9 months 2022: 77% of total revenue). Digital revenue for the first 9 months of 2023 increased by 24% as compared to the same period last year.

PROFITABILITY

In the 3rd quarter of 2023, the consolidated EBITDA totalled EUR 2.4 million (Q3 2022: EUR 2.3 million). EBITDA increased by 8% as compared to last year and the EBITDA margin was 15% (Q3 2022: 15%). In the first 9 months of 2023, the consolidated EBITDA totalled EUR 6.0 million (9 months 2022: EUR 5.1 million). EBITDA increased by 18% as compared to last year and the EBITDA margin was 12% (9 months 2022: 11%). Profitability has been driven 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.

In the 3rd quarter of 2023, the consolidated net profit totalled 0.95 million (Q3 2022: EUR 0.86 million). In the first 9 months of 2023, the consolidated net profit, excluding extraordinary expenses, totalled EUR 1.2 million (9 months 2022: EUR 1.6 million). In the first 9 months of 2023, the net profit decreased by 28% as compared to last year. Including one-off extraordinary expenses, the net profit for the first 9 months of the year totalled EUR 0.8 million. The decrease in net profit is mainly due to higher interest rates resulting from the increase in the Euribor and higher depreciation expenses resulting from the Group's investments. The negative impact of interest is twofold and manifests itself as an additional expense of EUR 0.5 million in the results for the first 9 months of the year. The results for the first 9 months of the year were also impacted by the one-off costs in the amount of EUR 0.3 million related to the liquidation of the home delivery services of AS Express Post. As of July, the home delivery services of Express Post were liquidated and the Group will no longer incur any additional losses on this business.

In the first 9 months of 2022, the positive one-off impact on the net profit in the amount of EUR 0.2 million was attributable to the profit which arose on the revaluation of the final payment related to the acquisition of Biļešu Paradīze.

EXPENSES

In the first 9 months of 2023, the cost of goods sold, marketing, and general and administrative costs totalled EUR 49.3 million (9 months 2022: EUR 43.3 million). Operating expenses increased by EUR 6.0 million (+14%) as compared to the same period last year. Labour costs increased the most, by EUR 4.0 million (+17%).

In the first 9 months of 2023, the Group employed 976 employees on average which is 104 employees more as compared to the same period last year (9 months 2022: 872 employees). This growth is attributable to 80 employees who were transferred from the acquired companies, incl. ELTA news agency in Lithuania acquired in May 2022 and the news portal lrytas.lt acquired in December 2022. 24 employees were hired 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 6.1 million and equity in the amount of EUR 54.0 million (55% of total assets). The comparable data as of 30 September 2022 were EUR 6.1 million and EUR 53.0 million (57% of total assets), respectively. As of 30 September 2023, the Group's net debt totalled EUR 14.3 million (30 September 2022: EUR 10.5 million).

In the first 9 months of 2023, the Group's cash flows from operating activities totalled EUR 6.9 million (9 months 2022: EUR 3.9 million), 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 2023, the Group's cash flows from investing activities totalled EUR -3.0 million (9 months 2022: EUR -4.8 million), of which EUR -2.4 million was related to the development and acquisition of tangible and intangible assets, demonstrating higher investments in products and technologies. In the first 9 months of the year, the Group invested EUR -1.0 million in new LED screens using a finance lease.

In the first 9 months of 2023, the Group's cash flows from financing activities totalled EUR -5.2 million (9 months 2022: EUR -4.0 million), of which EUR -1.0 million is the share buy-back and EUR -1.5 million is the dividend payment to the shareholders of AS Ekspress Grupp. The financing activities also include the net change in borrowings in the amount of EUR -1.3 million and lease liabilities in the amount of EUR -1.4 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)	Q3 2023	Q3 2022	Change %	9M 2023	9M 2022	Change %	12 months 2022
For the period							
Sales revenue	16 490	15 120	9%	51 773	44 956	15%	64 141
EBITDA	2 440	2 264	8%	5 992	5 096	18%	8 891
EBITDA margin (%)	14.8%	15.0%		11.6%	11.3%		13.9%
Operating profit/(loss)	1 250	1 183	6%	2 537	2 056	23%	4 797
Operating margin (%)	7.6%	7.8%		4.9%	4.6%		7.5%
Interest expenses	(383)	(183)	-110%	(1 059)	(529)	-100%	(738)
Profit/(loss) of joint ventures under the equity method	69	(107)	165%	(726)	(327)	-122%	(242)
Net profit/(loss)*	949	859	10%	1 170	1 618	-28%	4 055
Net margin (%)*	5.8%	5.7%		2.3%	3.6%		6.3%
Net profit/(loss) for the period in the financial statements	949	859	10%	830	1 618	-49%	4 055
Net margin (%)	5.8%	5.7%		1.6%	3.6%		6.3%
Return on assets (ROA) (%)	3.3%	4.3%		3.3%	4.3%		4.3%
Return on equity (ROE) (%)	6.1%	7.4%		6.1%	7.4%		7.6%
Earnings per share (euro)							
Basic earnings per share	0.0315	0.0282		0.0275	0.0533		0.1335
Diluted earnings per share	0.0305	0.0273		0.0267	0.0515		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 the first 9 months of 2023.

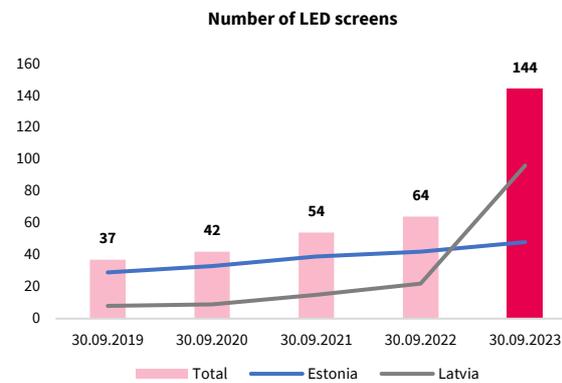
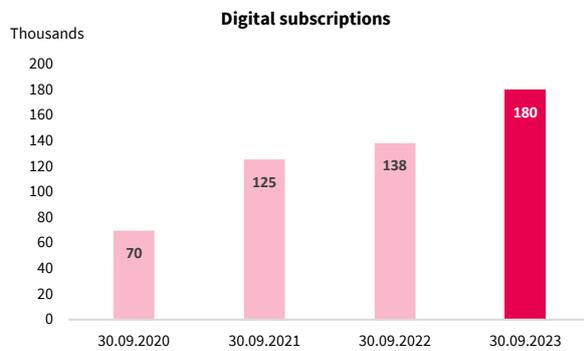
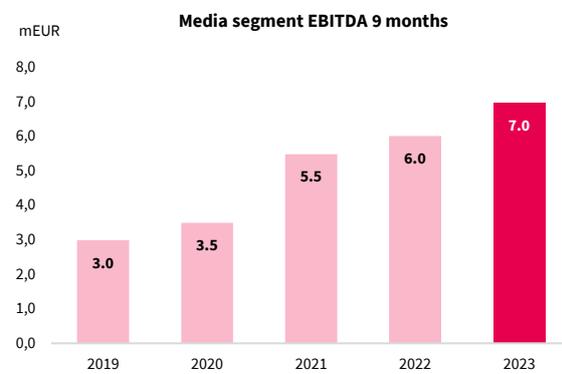
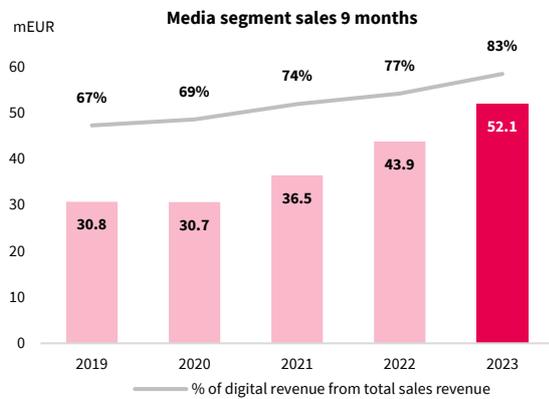
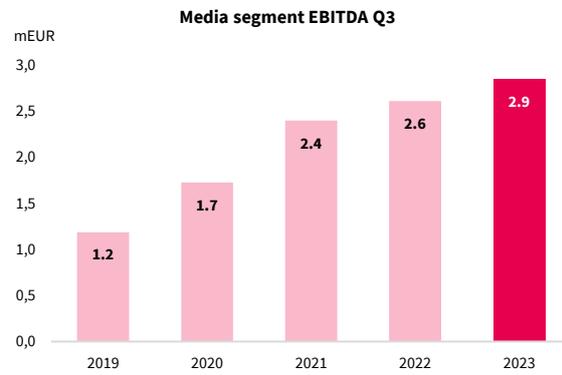
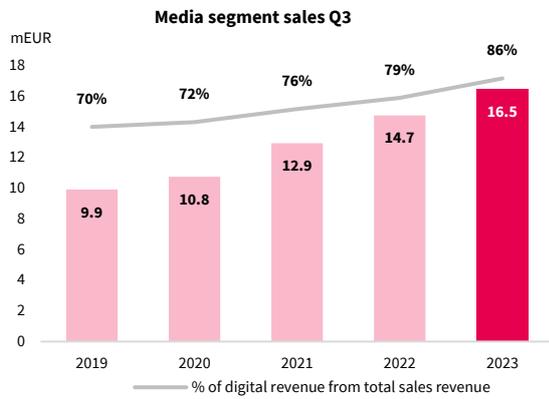
Balance sheet (EUR thousand)	30.09.2023	31.12.2022	Change %
As of the end of the period			
Current assets	18 075	19 444	-7%
Non-current assets	80 896	80 392	1%
Total assets	98 970	99 836	-1%
<i>incl. cash and cash equivalents</i>	6 132	7 448	-18%
<i>incl. goodwill</i>	48 592	48 779	0%
Current liabilities	22 074	22 422	-2%
Non-current liabilities	22 878	21 991	4%
Total liabilities	44 952	44 413	1%
<i>incl. borrowings (excl. rental liabilities according to IFRS 16)</i>	20 420	20 763	-2%
Equity	54 018	55 423	-3%
Net debt	14 288	13 315	7%
Total capital	68 306	68 738	-1%

Financial ratios (%)	30.09.2023	31.12.2022	Change %
Equity ratio (%)	55%	56%	-2%
Debt to equity ratio (%)	46%	46%	0%
Debt to capital ratio (%)	26%	24%	5%
Total debt/EBITDA ratio	2.09	2.34	-11%
Liquidity ratio	0.82	0.87	-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 (%)	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						
	Q3 2023	Q3 2022	Change %	9M 2023	9M 2022	Change %	12 months 2022
Media segment	16 455	14 743	12%	52 088	43 887	19%	62 690
<i>advertising revenue</i>	9 413	8 588	10%	30 219	25 990	16%	37 613
<i>subscriptions (incl. single-copy sales)</i>	4 665	4 206	11%	13 884	12 142	14%	16 819
<i>marketplaces</i>	861	582	48%	2 099	1 410	49%	2 232
<i>outdoor screens</i>	823	608	35%	2 349	1 647	43%	2 396
<i>sale of other goods and services</i>	692	759	-9%	3 538	2 697	31%	3 630
Corporate functions	167	1 161	-86%	2 474	3 343	-26%	4 500
Inter-segment eliminations	(131)	(784)		(2 789)	(2 274)		(3 050)
TOTAL GROUP	16 490	15 120	9%	51 773	44 956	15%	64 141
<i>incl. revenue from all digital channels</i>	14 146	12 006	18%	42 942	34 586	24%	49 928
<i>% of revenue from all digital channels</i>	86%	79%		83%	77%		78%

(EUR thousand)	EBITDA						
	Q3 2023	Q3 2022	Change %	9M 2023	9M 2022	Change %	12 months 2022
Media segment	2 852	2 614	9%	6 974	6 007	16%	10 183
Corporate functions	(416)	(311)	-34%	(977)	(802)	-22%	(1 122)
Inter-segment eliminations	3	(39)		(4)	(109)		(171)
TOTAL GROUP	2 440	2 264	8%	5 992	5 096	18%	8 891

EBITDA margin	Q3 2023	Q3 2022	9M 2023	9M 2022	12 months 2022
Media segment	17%	18%	13%	14%	16%
TOTAL GROUP	15%	15%	12%	11%	14%

MEDIA SEGMENT

In the 3rd quarter of 2023, media segment revenue totalled EUR 16.5 million (Q3 2022: EUR 14.7 million). Revenue increased by 12% as compared to the 3rd quarter of 2022. In the first 9 months of 2023, media segment revenue totalled EUR 52.1 million (9 months 2022: EUR 43.9 million). Revenue increased by 19% as compared to the same period last year. In the first 9 months of 2023, the share of the Group's digital revenue was 83% of total revenue (9 months 2022: 77%).

The Group continues to successfully grow its sales volumes in advertising and digital subscriptions both through an increase in its market share and an increase in the average price. Excluding from revenue the acquisitions made in Lithuania (news portal Lrytas and news agency ELTA) in the second half of 2022, the growth was 12% in the first 9 months of the year.

Advertising

In the 3rd quarter, advertising revenue in Estonia and Lithuania were at the expected level and showed growth, while the advertising market remained at last year's level. As compared to the same period last year, the advertising market

decreased in Latvia, where our revenue in the first 9 months of the year is 7% lower as compared to last year. The advertising market in Latvia has been affected by the general negative economic environment, the effects of which have not been seen to such an extent in Estonia and Lithuania. Digital advertising sales have been in an upward trend both in Estonia and Lithuania. We remain moderately cautious regarding the end of the year, as the higher level of interest rates may affect people's consumption and thereby advertising sales volumes. Until now, the advertising market has behaved rather positively, and there have been no significant volume reductions by customers.

Subscriptions

Subscription revenue increased by 11% in the 3rd quarter as compared to the same period last year (9 months: 14%). The growth is mainly due to the increase in the volume of digital subscriptions and the average price of subscriptions in all media houses. From the Group's point of view, it is important to grow its digital subscriptions and thereby have less dependence on advertising revenue in the long term.

Marketplaces

Under marketplaces, the Group reports sales revenue of ticket sales platforms in Estonia and Latvia. In the 3rd quarter, the revenue of ticket sales platforms increased by 48% (9 months: 49%). The main impact comes from Latvia, where ticket sales volumes are increasing despite the weaker economic environment.

Outdoor screens

The advertising revenue of outdoor screens increased by 35% in the 3rd quarter and by 43% in the first 9 months of the year as compared to last year. The growth has mainly been supported by the expansion of the outdoor screen network. 19 new screens were added in the 3rd quarter and 60 screens in the first 9 months of the year. As of 30 September 2023, the Group has a total of 144 outdoor screens, including 96 in Latvia and 48 in Estonia (30.09.2022 a total of 64, 22 in Latvia and 42 in Estonia).

The Group invested EUR 1.0 million in new LED screens in the first 9 months of 2023 and plans to invest EUR 0.06 million in the last quarter of the year. This year, we will continue to add additional screens in Latvia and Estonia. The planned number of screens by the end of 2023 is a total of 157 screens.

DIGITAL SUBSCRIPTIONS

Detailed overview of digital subscriptions:

(number of subscriptions)	30.09.2023	30.06.2023	change	31.12.2022	change	30.09.2022	change
AS Delfi Meedia	98 982	96 855	2%	85 551	16%	77 920	27%
AS Õhtuleht Kirjastus	25 406	24 477	4%	22 530	13%	23 548	8%
Geenius Meedia OÜ	6 466	6 323	2%	5 616	15%	5 162	25%
Estonia total	130 854	127 655	3%	113 697	15%	106 630	23%
Delfi AS (Latvia)	20 169	21 851	-8%	14 131	43%	14 012	44%
Delfi UAB (Lithuania)	28 730	25 873	11%	18 780	53%	17 370	65%
Ekspress Grupp total	179 753	175 379	2%	146 608	23%	138 012	30%

The total number of digital subscriptions of AS Ekspress Grupp increased by 30% in the Baltic States year-over-year (3rd quarter: 2%, 9 months: 23%) and totalled 179 753 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 27% year-over-year (3rd quarter: 2%, 9 months: 16%) and totalled 98 982.
- The number of digital subscriptions of AS Õhtuleht Kirjastus, 50% of which is owned by Ekspress Grupp, increased by 8% year-over-year (3rd quarter: 4%, 9 months: 13%) and totalled 25 406.
- The number of digital subscriptions of Geenius Meedia OÜ increased by 25% year-over-year (3rd quarter: 2%, 9 months: 15%) and totalled 6 466.

AS Ekspress Grupp

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- In Latvia, the number of digital subscriptions of Delfi A/S increased by 44% year-over-year (3rd quarter: -8%, 9 months: 43%) and totalled 20 169.
- In Lithuania, the number of digital subscriptions of Delfi increased by 65% year-over-year (3rd quarter: 11%, 9 months: 53%) and totalled 28 730.

The number of digital subscriptions, which has increased by a third over the last year, makes up an increasingly important share of Group's revenue and ensures a steady source of income for the group's media companies, enabling them to create content that their readers like.

In Estonia, the number of digital subscriptions of our largest media company, Delfi Meedia, increased by 27% in a year and reached almost 100 000. This is a remarkable number which no other paid paper periodical has been able to achieve since Estonia regained its independence.

In percentage terms, the number of digital subscriptions increased the most, or 65%, in Lithuania, where we expect to see the greatest growth potential also in the future. In Latvia, the number of digital subscriptions increased strongly, by 44%, but decreased by 8% in the last quarter. This decrease is due to the end of successful sales campaigns carried out in the first half of the year, followed by an expected short-term correction. In the future, we also expect the number of digital subscriptions to continue to grow in Latvia.

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 30 September 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 30 September 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	2 492 441	8.09%
Members of the Management Boards*	148 697	0.48%
Other minority shareholders	4 938 665	16.04%
Treasury shares	664 366	2.16%
TOTAL	30 796 841	100.0%

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

Shares held by members of the Management Board and Supervisory Board

Mari-Liis Rüütsalu holds 36 924 shares.

Karl Anton 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 Q3 and 9 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 30 September 2023.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2019 until 30 September 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 30 September 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 current 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 the first 9 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.

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 and to pay dividends 5 euro cents per share in total amount of EUR 1.49 million.

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)
- Karl Anton

As of November 1, 2023, Argo Rannamets will become a new member of the Management Board 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.

Starting from November 1, 2023, the Management Board of Ekspress Grupp will be as follows: Mari-Liis Rüütsalu (Chairman of the Board), Karl Anton and Argo Rannamets.

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 2023 is shown below:

COMPANY*	SUPERVISORY BOARD	MANAGEMENT BOARD
Delfi Meedia AS (13 415 048)	Hans Luik (chairman), Mari-Liis Rüütsalu, Karl Anton	Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Piret Põldoja, Sander Maasik
Delfi UAB (5 063 579)	Mari-Liis Rüütsalu (chairman), Karl Anton, Hans Luik	Vytautas Benokraitis
SIA Biļešu Paradīze (4 437 620)	-	Jānis Ņuzulis (chairman), Jānis Daube
Delfi A/S (Latvia) (4 274 802)	Mari-Liis Rüütsalu (chairman), Hans Luik, Karl Anton	Konstantīns Kuzikovs (chairman), Filips Lastovskis, Maira Meija
Digital Matter UAB (182 171)	-	Gediminas Blažys

* The amount of equity of the key subsidiary that is held by the owners of the parent company as of 30 September 2023 is shown in parentheses.

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Consolidated balance sheet (unaudited)

(EUR thousand)	30.09.2023	31.12.2022
ASSETS		
Current assets		
Cash and cash equivalents	6 132	7 448
Trade and other receivables	11 447	11 661
Corporate income tax prepayment	213	49
Inventories	282	286
Total current assets	18 075	19 444
Non-current assets		
Other receivables and investments	1 580	1 580
Deferred tax asset	75	60
Investments in joint ventures	786	1 017
Investments in associates	2 106	2 279
Property, plant and equipment (Note 4)	8 981	8 736
Intangible assets (Note 4)	67 368	66 720
Total non-current assets	80 896	80 392
TOTAL ASSETS	98 970	99 836
LIABILITIES		
Current liabilities		
Borrowings (Note 5)	1 973	3 393
Trade and other payables	19 969	19 004
Corporate income tax payable	132	25
Total current liabilities	22 074	22 422
Non-current liabilities		
Long-term borrowings (Note 5)	22 836	21 948
Other long-term liabilities	41	43
Total non-current liabilities	22 878	21 991
TOTAL LIABILITIES	44 952	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)	2 283	2 059
Retained earnings	20 037	20 796
Total capital and reserves attributable to equity holders of parent company	54 018	55 276
TOTAL EQUITY	54 018	55 423
TOTAL LIABILITIES AND EQUITY	98 970	99 836

The Notes presented on pages 25-31 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q3 2023	Q3 2022	9M 2023	9M 2022	12 months 2022
Sales	16 490	15 120	51 773	44 956	64 141
Cost of sales	(12 384)	(11 272)	(40 131)	(34 712)	(48 185)
Gross profit	4 107	3 849	11 642	10 243	15 956
Other income	167	209	348	526	789
Marketing expenses	(649)	(695)	(2 011)	(2 133)	(2 979)
Administrative expenses	(2 253)	(2 125)	(7 180)	(6 442)	(8 823)
Other expenses	(122)	(54)	(262)	(139)	(146)
Operating profit /(loss)	1 250	1 183	2 537	2 056	4 797
Interest income	12	9	32	28	36
Interest expenses	(383)	(183)	(1 059)	(529)	(738)
Other finance income/(costs)	(14)	(3)	(35)	194	179
Net finance cost	(384)	(177)	(1 063)	(308)	(523)
Profit/(loss) on shares of joint ventures	69	(107)	(726)	(327)	(242)
Profit/(loss) on shares of associates	65	53	196	326	325
Profit /(loss) before income tax	1 000	953	943	1 747	4 357
Income tax expense	(52)	(94)	(113)	(129)	(302)
Net profit /(loss) for the reporting period	949	859	830	1 618	4 055
Net profit /(loss) for the reporting period attributable to					
Equity holders of the parent company	949	857	828	1 617	4 048
Minority interest	0	2	2	1	7
Total comprehensive income /(loss)	949	859	830	1 618	4 055
Comprehensive income /(loss) for the reporting period attributable to					
Equity holders of the parent company	949	857	828	1 617	4 048
Minority interest	0	2	2	1	7
Earnings per share (euro) (Note 7)					
Basic earnings per share	0.0315	0.0282	0.0275	0.0533	0.1335
Diluted earnings per share	0.0305	0.0273	0.0267	0.0515	0.1294

The Notes presented on pages 25-31 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	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
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	24	101	402	0	402
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>224</i>	<i>(1 587)</i>	<i>(2 086)</i>	<i>0</i>	<i>(2 086)</i>
Net profit /(loss) for the reporting period	0	0	0	0	828	828	2	830
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>828</i>	<i>828</i>	<i>2</i>	<i>830</i>
Transactions with minority interest	0	0	0	0	0	0	(149)	(149)
Balance on 30.09.2023	18 478	14 277	(1 057)	2 283	20 037	54 018	0	54 018

The Notes presented on pages 25-31 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	9M 2023	9M 2022	12 months 2022
Cash flows from operating activities			
Operating profit /(loss) for the reporting year	2 537	2 056	4 797
Adjustments for (non-cash):			
Depreciation and amortisation (Note 4)	3 455	3 039	4 084
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	165	30	29
Change in value of share option	24	27	29
Cash flows from operating activities:			
Trade and other receivables	211	(1 168)	(1 939)
Inventories	3	(51)	(9)
Trade and other payables	1 518	607	2 188
Income tax paid	(184)	(319)	(401)
Interest paid	(852)	(327)	(767)
Net cash generated from operating activities	6 876	3 892	8 011
Cash flows from investing activities			
Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees	(1 310)	(2 600)	(7 632)
Receipts of other investments	13	10	10
Interest received	6	1	2
Purchase of property, plant and equipment and intangible assets (Note 4)	(2 405)	(2 891)	(3 748)
Proceeds from sale of property, plant and equipment and intangible assets	25	60	66
Loans granted	0	(30)	(30)
Loan repayments received	0	86	86
Dividends received	674	601	601
Net cash used in investing activities	(2 997)	(4 763)	(10 645)
Cash flows from financing activities			
Dividends paid	(1 488)	(2 425)	(2 425)
Payment of lease liabilities	(1 446)	(1 305)	(1 751)
Loans received / Repayments of bank loans (Note 5)	(1 260)	(284)	3 296
Purchases of treasury shares	(1 000)	0	0
Net cash used in financing activities	(5 195)	(4 014)	(880)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1 316)	(4 885)	(3 514)
Cash and cash equivalents at the beginning of the period	7 448	10 962	10 962
Cash and cash equivalents at the end of the period	6 132	6 077	7 448

The Notes presented on pages 25-31 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 30 October 2023. 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 30.09.2023	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 3rd quarter and first 9 months ended on 30 September 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 3rd quarter and first 9 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 foreign exchange risk, interest rate risk and price risk), operational risk and capital risk.

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

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

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

Note 4. Property, plant and equipment and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	9M 2023	9M 2022	9M 2023	9M 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	2 349	3 058	2 311	1 352
Disposals (at carrying amount)	(1)	(22)	(1)	0
Write-down, write-off and impairment of non-current assets	(49)	(313)	(263)	(132)
Reclassification	1	(13)	0	0
Acquired through business combinations	0	3	0	662
Depreciation and amortisation	(2 055)	(1 846)	(1 400)	(1 192)
Balance at end of the period				
Cost	19 495	16 891	91 440	84 026
Accumulated depreciation and amortisation	(10 514)	(8 062)	(24 072)	(22 529)
Carrying amount	8 981	8 829	67 368	61 497

Note 5. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term	
		Up to 1 year	Between 1-5 years
Balance as of 30.09.2023			
Long-term bank loans	13 385	1 457	11 928
Notes	5 000	0	5 000
Lease liability	6 424	516	5 908
Total	24 809	1 973	22 836
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.

Q3 2023 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	16 433	58	0	16 490
Inter-segment sales	22	109	(131)	0
Total segment sales	16 455	167	(131)	16 490
EBITDA	2 852	(416)	3	2 440
EBITDA margin	17%			15%
Depreciation				1 190
Operating profit /(loss)				1 250
Investments				1 506

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

9M 2023 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	51 010	763	0	51 773
Inter-segment sales	1 078	1 711	(2 789)	0
Total segment sales	52 088	2 474	(2 789)	51 773
EBITDA	6 974	(977)	(4)	5 992
EBITDA margin	13%			12%
Depreciation				3 455
Operating profit /(loss)				2 537
Investments				4 660

9M 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

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	Q3 2023	Q3 2022	9M 2023	9M 2022	12 months 2022
Profit / (loss) attributable to equity holders	948 559	856 608	828 412	1 616 958	4 047 812
Average number of ordinary shares at the end of the period	30 132 475	30 338 572	30 086 049	30 310 475	30 320 378
Number of ordinary shares potentially issued as the part of option program at the end of the period	958 617	1 064 071	958 617	1 064 071	958 617
Basic earnings per share	0.0315	0.0282	0.0275	0.0533	0.1335
Diluted earnings per share	0.0305	0.0273	0.0267	0.0515	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 30 September 2023 total amount of share options granted was 959 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. As of 30 September 2023 the number of options issued is 879 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 2023 this reserve totalled EUR 89 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 30 September 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 30 September 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 30 September 2023, it is possible to distribute dividends without income tax payment in the total amount of EUR 21.5 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)	9M 2023		30.09.2023		31.12.2022	
	Sales	Purchases	Receivables	Payables	Receivables	Payables
Companies controlled by the Key Management Personnel	140	2 175	705	286	712	171
Associates	98	10	116	2	133	1
Joint ventures	736	904	31	150	166	236
Total	974	3 089	852	438	1 011	408

(EUR thousand)	9M 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

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 34 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>	30.10.2023
Karl Anton	member of the Management Board	<i>signed digitally</i>	30.10.2023

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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Tiiu

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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](#)