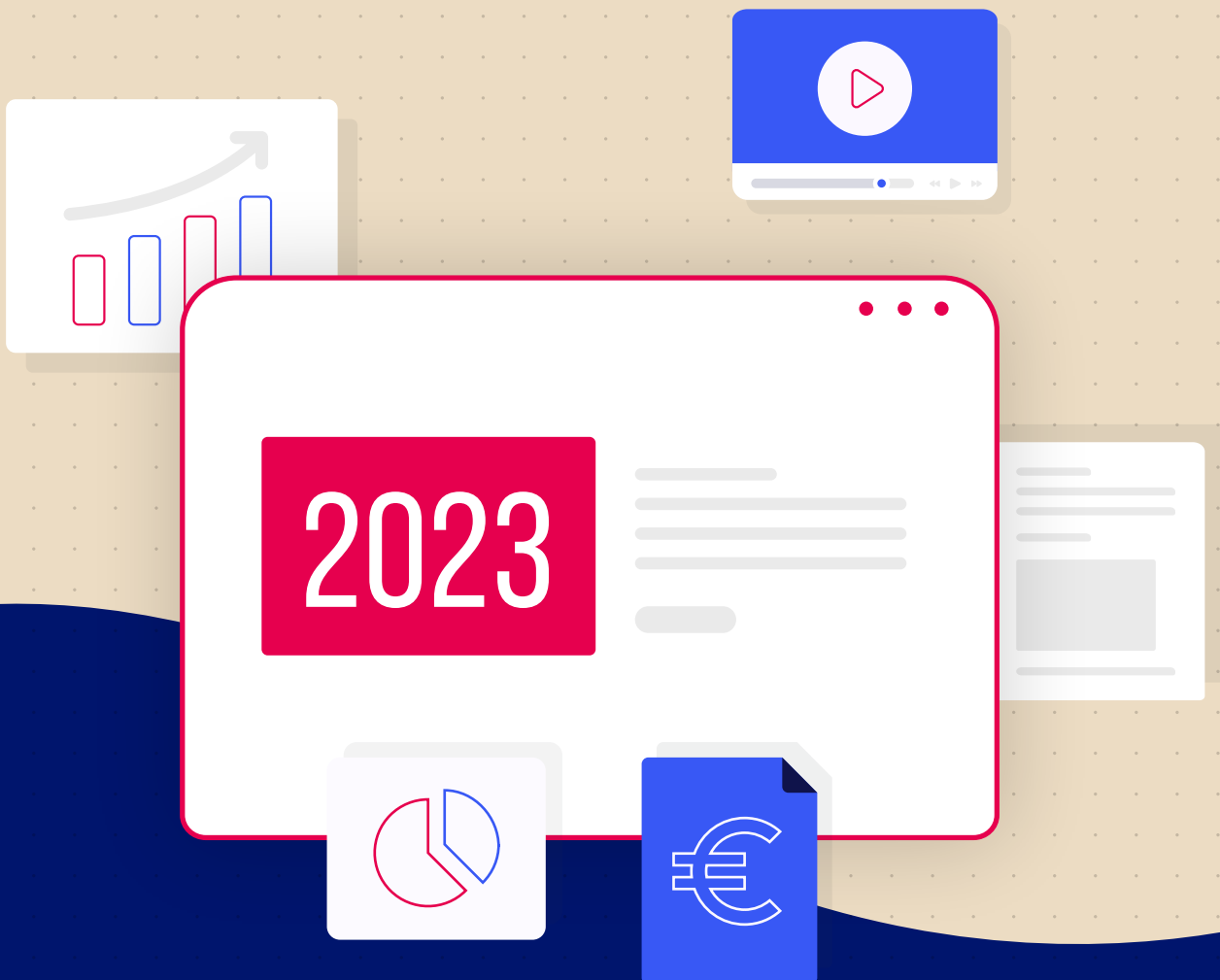




**EKSPRESS  
GRUPP**

Annual report

**2023**



# Interactive Online Report

AS Ekspress Grupp Annual Report can also be accessed online at:

<http://2023-annual-report.egrupp.ee>



As well as company information and an extensive financial section, the online report offers many extra features, including videos and additional web links.

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## GENERAL INFORMATION

Beginning of reporting period	1 January 2023
End of reporting period	31 December 2023
Company name	AS Ekspress Grupp
Registration number	10004677
Address	Narva mnt 13, Tallinn 10151
Country of incorporation	Republic of Estonia
Phone	+372 669 8381
E-mail	egrupp@egrupp.ee
Homepage	www.egrupp.ee
Main field of activity	Publishing and related services (5814)
Management Board	Mari-Liis Rüütsalu Argo Rannamets Karl Anton
Supervisory Board	Priit Rohumaa Hans H. Luik Sami Jussi Petteri Seppänen Triin Hertmann
Auditor	KPMG Baltics OÜ

The Annual Report consists of management report, sustainability report, corporate governance report, remuneration report, consolidated financial statements, the Management Board's confirmation of the annual report, independent auditor's report, proposal for profit allocation and declaration of the Management Board and Supervisory Board. The document comprises 150 pages.

# MANAGEMENT REPORT

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## 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 seven 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.

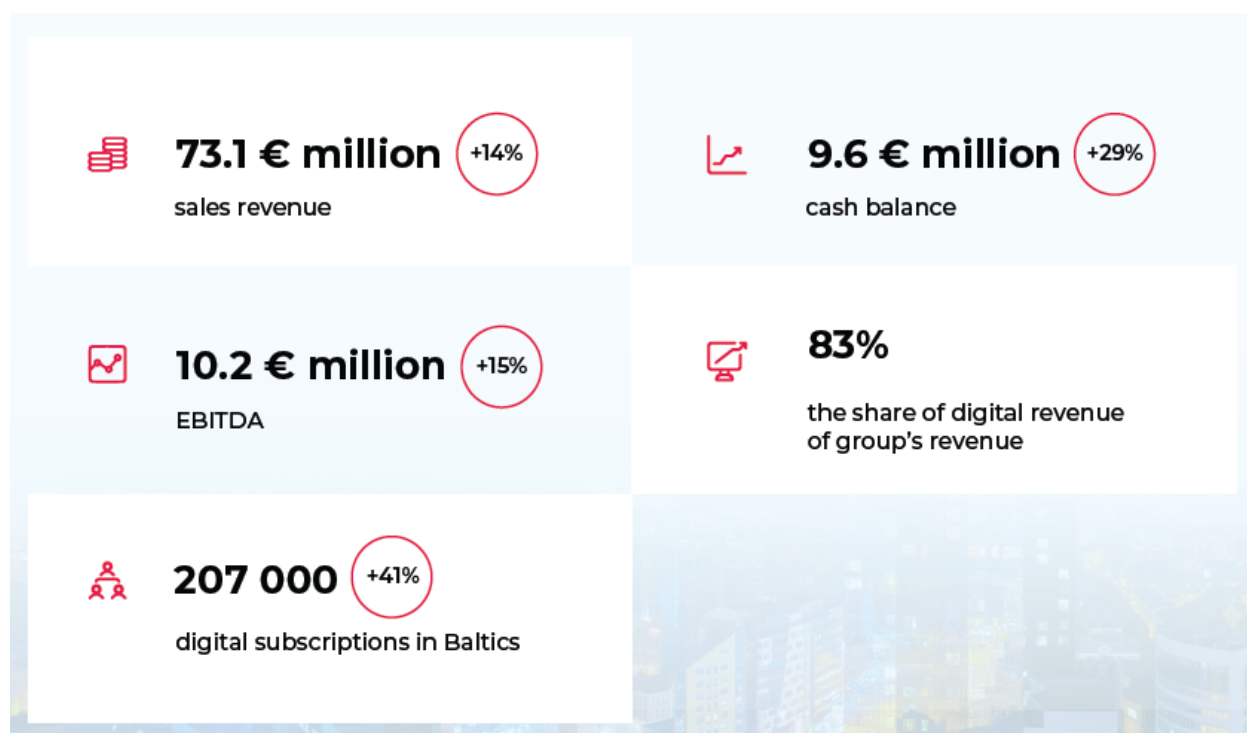
- **Key activity:** production of journalistic content and sale of advertisements to digital platforms in all Baltic States. Publishing of newspapers, magazines and books in Estonia.
- **Key activities are supported by** IT development, solutions of audio-visual production, rental of advertising space.
- **Development of digital business lines:** At the end of 2023, digital products/services contributed 83% to the Group's total revenue (2022: 78%).
- 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



## STATEMENT OF THE CHAIRMAN OF THE MANAGEMENT BOARD

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*Mari-Liis Rüütsalu, Chairman of the Management Board*

### **Dear colleagues, partners and shareholders,**

The year 2023 was full of challenges, which we were able to overcome thanks to our dedicated work and the right strategic decisions, achieving significant progress and strengthening our position as the leading digital media company in the Baltic States.

One of the key challenges is the continuation of the war in Ukraine. This significantly affects entire Europe, including Estonia. In our media company, we have had to learn new ways of covering the conflict and how to ensure the safety of journalists and the coverage of reliable news. We have also had to deal with propaganda and cyber-attacks. Last year, Ekspress Grupp's media outlets largely focused on ensuring that the coverage of the war would not show any signs of fatigue. We need to find new angles to keep our readers interested – this is how we can make our best contribution to support Ukraine.

In 2023, we also adhered to our mission to serve democracy, and provide a high-quality and unbiased news feed. Our readers appreciate it highly, and the value of quality news content will continue to grow over time. The highlight of the year 2023 was artificial intelligence (AI), and the benefits and problems associated with it. Content production has never been that easy, but in the future content will become less important than those who publish it. Credibility will become an even more valuable currency, and media companies will play an even more important role in filtering misinformation.

One of our greatest achievements has been the growth in the number of digital subscriptions of our media companies and thus growth in the digital revenue base. In the Baltic States, we were able to significantly increase the number of digital subscribers, which shows that readers value the content offered by our media outlets and trust us as their main source of

information. Ekspress Grupp's strongest brand – Delfi – is the number one choice of readers in all the Baltic States. The number of digital subscriptions increased by 41 percent year-over-year. Our digital revenue also grew significantly, accounting for 83 percent of the Group's total revenue.

In addition to the success of digital subscriptions, we also achieved significant growth in other business areas. For example, we were successful with our digital outdoor screens, increasing our network by almost 65 screens. Expanding the network has also led to significant revenue growth in this segment. We also managed to achieve significant revenue and profit growth in the Latvian ticket business.

Last year, the inflation rate and higher input costs also affected our results. We have carefully managed our costs while maintaining the standards of quality content. This yielded a 14 percent increase in revenue and a 15 percent increase in EBITDA.

In the future, I am confident that Ekspress Grupp will continue its successful development and play an important role in promoting democracy in the Baltic States. Our key focus will continue to be on delivering unbiased news and providing quality news content and entertainment to our readers.

**I would like to thank our dedicated team and supportive shareholders. The year 2023 demonstrated that together we can achieve excellent results and lead the way to the digital media in future.**

Yours sincerely, Mari-Liis Rүүtsalu

## 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%

## GROUP'S KEY BUSINESSES

**Delfi**

### AS Delfi Meedia / Estonia

Delfi Meedia produces the most up-to-date and versatile journalistic content in Estonia. The main channel for its distribution is the internet portal Delfi, which is visited by more than 600,000 weekly users. Delfi Meedia also publishes the flagships of newspapers (Eesti Ekspress, Eesti Päevaleht, Maaleht) and magazines (Maakodu, Eesti Naine, Tervis +, Oma Maitse, Anne & Stiil, Pere & Kodu, Kroonika) in Estonian media landscape. In 2021, new innovative ticket sales platform Piletitasku as a new business line was launched.

**Delfi**

### Delfi UAB / Lithuania

Delfi Lithuania has more than 1.4 million monthly users and 500 thousand daily real users.

**Delfi**

### A/S Delfi / Latvia

Delfi Latvia has been recognised as the most trustworthy and most beloved news media brand in Latvia, with more than 858,000 monthly users DELFI is a leading news media channel in Latvia, in both languages - Latvian and Russian.

**geenius**

### Geenius Meedia OÜ / Estonia

Geenius Meedia is a fast-growing company that builds precisely targeted media whose content is fact-based, understandable and useful. We are a noise-free and independent platform for talented authors, valued experts and ideas that make life better through science and technology.

**lrytas.lt**

### Lrytas UAB / Lithuania

Lrytas.lt is one of the largest news portals in Lithuania, launched in 2006. The portal's mission is to collect and submit objective, reliable and operational information, prepare it and present it to various groups of society about current events in Lithuania and the world. Our vision is to be an advanced and leading online portal in Lithuania. The portal lrytas.lt is visited by an average of 410 thousand readers per day, and the monthly audience reaches 1.2 million real users. In October 2023, the portal launched paywall, and within three months it collected more than 6000 subscribers.

**ELTA**

### News agency ELTA UAB / Lithuania

News agency ELTA provides news from the Lithuanian and global press, informs about the upcoming events in Lithuania and is a reliable source of the content for national and regional press, radio stations, TV channels.

**BIĒŠU PARADĪZE**

### SIA Biļešu Paradīze / Latvia

Biļešu Paradīze operates the electronic ticket platform (bilesuparadize.lv) and box offices to organise the sale of tickets to various entertainment events on behalf of event organisers. The company has provided online ticket distribution for more than 15 years and is one of the two leading ticket service providers in Latvia.

**Õhtuleht Kirjastus**

### AS Õhtuleht Kirjastus / Estonia

Õhtuleht Kirjastus publishes Estonia's largest daily newspaper Õhtuleht and news and entertainment portals with over 430,000 monthly users. In addition to the newspaper Õhtuleht and web portals, Õhtuleht Kirjastus's portfolio includes a selection of weekly and monthly magazines beloved by readers, as well as a crossword portfolio consisting of almost ten publications. Õhtuleht Kirjastus has a total of over 90,000 subscriptions. In 2020, Õhtuleht won the Bonnier, the highest award for investigative journalism, and Õhtuleht has also been among the nominees for the Bonnier award in 2021 and 2022.

**Digital Matter**

### Digital Matter UAB / Estonia, Latvia, Lithuania

Digital Matter (former named Adnet Media) is the largest online advertising network in the Baltic States that offers modern programmatic advertising, audience and campaign optimisation.

**altero**

### SIA Altero / Estonia, Latvia, Lithuania

Altero is a leading financial comparison platform in the Baltics. Altero started its operations in Latvia in 2016, in Lithuania in 2019 and in Estonia in 2020. More than 100,000 Altero clients have compared financial offers for consumer loans, car loans and other products since the launch in June 2016.

**KINNISVARA**

### Kinnisvarakeskkond OÜ / Estonia

Kinnisvarakeskkond develops a modern real estate portal Kinnisvara24.ee in co-operation with local real estate agencies.

**LINNA EKRAANID**

### Linna Ekraanid OÜ / Estonia

Linna Ekraanid is a growing outdoor media company that builds and operates well-positioned digital outdoor screens in several cities across Estonia.

**Ds**  
dscreens.lv

### D Screens SIA / Latvia

D Screens is a fast-growing outdoor media company that builds and operates well-positioned digital outdoor screens in several locations across Latvia.

**HEA LUGU**

### OÜ Hea Lugu / Estonia

Hea Lugu is a book publishing company. Hea Lugu publishes both original and translated fiction, history books, autobiographies and memoirs, books for children, reference books and practical handbooks. Hea Lugu operates trademarks Maailm ja Mõnda, 100 Rooga, Õhtuõpik and Raamat24. Books are also published in e- and audio formats.

A detailed list of the entities that are part of the group structure is disclosed in Note 1 to the consolidated financial statements.

## OUR MEDIA BRANDS

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Digital  
Matter

 altero.ee

ELTA

 BILEŠU  
PARADIZE

 LINNA EKRAANID

 Ds  
dscreens.lv

HEA  
LUGU

 Irytas.lt

 KINNIS-  
VARA  
24

 geenius

 Ohtuleht  
Kirjastus

Delfi

 ●●● EestiPäevaleht

EESTI EKSPRESS

Maaleht

Kroonika

...NAINE

anne  
& stül

PERE ja KODU

MAAKODU

Oma Maitse

Tervis PLUSS

piletitasku

Ohtuleht

Tiiu

Naisteleht

 Naisteleht  
55+

 tv  
teleleht

Eesti Mets

 Kalale! LOODUSES

## DIGITAL MEDIA COMPANY

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*Karl Anton, Chief Innovation Officer of the Group*

The year 2023 was another year of strong growth for Ekspress Grupp – Delfi Meedia AS surpassed the magical 100 000 subscriber threshold.

The year is characterised by the following digital trends:

- digital revenue growth was strong in all Baltic key markets, customer awareness to pay for digital content keeps increasing;
- artificial intelligence and the tools that are based thereon are increasingly influencing the text, sound and video images;
- focus on ease of use and cyber safety becomes increasingly more important.

Last year, the market for digital subscriptions in Estonia, Latvia and Lithuania developed in the expected direction. Ekspress Grupp, as the largest provider of news media digital subscriptions in the target markets, increased the number of digital subscriptions in the Baltic States by a total of 41% during the year, reaching 207 000 subscriptions by the end of the year. In Estonia, the number of digital subscriptions of Delfi Meedia grew the most, increasing by 20% year-over-year (+17 242) and exceeded the 100 000-subscriber threshold for the first time in December. The number of digital subscriptions of Geenius Meedia increased by 25%. Õhtuleht Kirjastus, Delfi in Latvia and Lithuania also continued to ride the growth wave of digital subscriptions, increasing digital subscriptions by 10%, 87% and 112%, respectively, as compared to the previous year. The news portal Lrytas entered the Lithuanian digital subscription market as a newcomer, with over 6000 subscribers by the end of the year. Rapid growth has been ensured by customers' willingness and awareness to pay for digital content, as one of the biggest leaders in the news field is Ekspress Grupp with its international streaming and music services.

If you compare it 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 around the world. In 2023, the Lithuanian and Latvian market also witnessed a certain breakthrough in the transition to the digital subscription model, which we had been expecting for some time. The

number of Delfi's digital subscribers more than doubled in Lithuania in a year and reached nearly 40 000 subscribers by the end of the year. The number of subscriptions of Delfi in Latvia increased by 87% and reached over 26 000 by the end of the year. The Group's newest media company, Lrytas, switched to a digital subscription model in the last quarter and attained already more than 6000 subscriptions by the end of the year. These numbers show that, similarly to Estonia, the readers in other Baltic States are also embracing the digital subscription model of journalism and value domestic, independent content produced in their own language. A digital subscription of news media is an increasingly accepted product among the readers, as evidenced by the increasing number of subscriptions and the decreasing turnover of subscribers. We see that more and more readers subscribe to digital news media to keep up with important topics in society.

## Global digital market

In the digital advertising market, international online platforms are still the most financially important competitors for the Baltic media houses. In 2023, the activities of large technology companies were again under the sharp scrutiny of international regulators. This is evidenced by the fact that Meta, the owner of Facebook, introduced a paid, ad-free subscription service for its European customers in October 2023, when customers are not willing to accept advertising cookies. Essentially it means that the end user finds himself in a position where he must pay for the service either in cash or in data. Important changes also took place on the social media market, where Twitter, bought by Elon Musk in 2022, changed its name to X and introduced new digital subscription solutions to the market, thus contributing to the global growth of awareness of digital subscriptions. At the same time, the economic environment forces all service providers to increase the prices of their services due to the rapid growth of input prices, which in the long run makes the consumer more selective and the simultaneous consumption of several services decreases. Therefore, it can be assumed that users will become more loyal, and the turnover of subscribers will decrease.

***“Until now, the companies operating in the media sector have been mainly divided into two camps when it comes to earning income - whether to earn income from advertising sales or digital subscriptions. Today, the trends make it clear that the winning solution is a combination of both, i.e. a user-friendly balance of advertising and digital subscriptions, which consumers also seem to prefer on the Baltic market.”***

**Karl Anton, CIO of Ekspress Grupp**

## Artificial intelligence

The technological focus in 2023 was artificial intelligence (AI) and the tools based thereon. Ekspress Grupp has taken into use several tools to ensure a more efficient internal work organisation. We are currently also testing solutions aimed at the end user, which should reach customers during 2024. We use artificial intelligence-based solutions daily to monitor and clean up comments, create images and illustrations for articles, process audio in podcasts, and edit videos faster. We use simpler code generation solutions in programming. At the same time, the companies of Ekspress Grupp, which offer artificial intelligence-based solutions to the end customer, have established internal principles for the use of artificial intelligence, the purpose of which is to inform users if something has been "artificially" compiled or modified.

## Effect of artificial intelligence on credibility of news and content

The implications of artificial intelligence for the media sector are far-reaching. Artificial intelligence can be used to create personalised content that better matches the interests and preferences of viewers, and it can also help the media industry better understand its audience and predict trends and consumer behaviour.

Fake content created by artificial intelligence and its spread will undoubtedly present a problem. Already, social media portals contain a lot of misinformation, the spread of which is difficult to control and the source of which is often not identifiable. We believe that in this light, the credibility of local news portals will increase and, of course, this brings with it a greater responsibility to be even more accurate and correct in the dissemination of information.

In addition, tools based on artificial intelligence can help the media industry to combat fake news and misinformation by detecting and removing it. However, it is important to bear in mind that the use of artificial intelligence in the media sector can also raise ethical and legal issues, and privacy and copyright infringements are a major concern. It is therefore important that the media industry adheres to the principles of responsible technology in the use of artificial intelligence and ensures that it is used in an ethical and lawful manner.

**“The year 2023 was characterised by the rapid development of artificial intelligence, led by LLMs, i.e. large language models. Artificial intelligence-based solutions are in a strategic focus of Ekspress Grupp and we use solutions in commentary, customer service and image, audio and text processing to be more efficient and reduce human resources in repetitive tasks.”**

**Karl Anton, CIO of Ekspress Grupp**

## Development and safety of digital solutions

Ekspress Grupp is a growing and evolving media group that adapts to the changing needs of its readers, customers and cooperation partners, and creates trends in their media consumption habits. An important part of the Group's daily work is the development of new digital products and services, and the creation of relevant and interesting content. Equally important is ensuring the reliability and security of the service, which would allow access to all the digital services of the Group at any time and in a device suitable for the media consumer. The fastest user growth has occurred in mobile devices.

In 2023, Ekspress Grupp increasingly focused on cybersecurity, both internally and externally. For Ekspress Grupp cybersecurity has become increasingly important as companies and organisations have become increasingly dependent on digital systems and technology. At Ekspress Grupp, we take cybersecurity seriously and adopt measures to protect our services and the data used in them. Performing risk analysis, using strong authentication methods, implementing software security updates, training employees and considering purchasing cyber liability insurance are just some of the measures we use to improve cybersecurity and reduce technical and human risks.

## Digital subscriptions are still in a leadership position in all home markets

The steady growth of digital business affects all media organisations worldwide. In addition to the opportunities provided by new digital products, the challenge of retaining existing customers and finding new ones is even greater.

All media products of Ekspress Grupp are available in a digital format. Development of media portals for provision of the best digital services and products have always been of importance.

Other Ekspress Grupp companies also offer digital services and products. For example, Hea Lugu sells audio and e-books and manages e-stores Raamat24 and Digiread. Digital Matter offers automatic advertising solutions, Kinnisvara24, Biļešu Paradīze and Piletitasku are digital service platforms or marketplaces. Digital outdoor advertising solutions are offered by our screen companies D Screens in Latvia and Linna Ekraanid in Estonia.

Digital subscriptions keep increasing:

- the number of digital subscriptions of Ekspress Grupp reached 207 328 in the Baltic States, increasing by 41% in a year.
- In Latvia, the number of digital subscriptions increased by 87% in a year and totalled 26 427 by the end of the year.
- In Lithuania, the number of digital subscriptions of Delfi increased by 112% in a year and totalled 39 872 by the end of the year.
- The number of paid digital subscriptions of AS Delfi Meedia increased by 20% in a year and totalled 102 793 by the end of December, the annual growth of Õhtuleht Kirjastus was 10% and there were 24 875 subscriptions by the end of the year, the annual growth of digital subscriptions of Geenius Meedia was 25% and there were 6998 subscriptions by the end of the year.
- The Lithuanian media portal Lrytas started selling paid content in the 4<sup>th</sup> quarter of 2023 and reached 6,363 digital subscriptions by the end of the year.
- The share of the Group's digital revenue was 83% of total revenue (2022: 78%).

**Ekspress Grupp's long-term goal is to increase the volume of digital subscriptions in the Baltic States to 340 000 subscribers by the end of 2026**

## **New opportunities in Latvia and Lithuania**

In 2023, we completed the generation change of the Delfi platform in Latvia and Lithuania. The Group's central IT development takes place in Estonia, but it concerns all three countries. The platform change in Latvia-Lithuania creates better opportunities and flexibility for readers there. The number of digital subscriptions of Delfi in Latvia and Lithuania was affected because the packages were made to be similar to the ones used in Estonia. A uniform package-based logic was introduced, which gives the digital subscriber greater access to all Delfi content. By now, all Delfi portals have been transferred to the central IT solution, ensuring more economical, safer and faster work results.

## KEY EVENTS AND DEVELOPMENTS IN 2023

### JANUARY

- The results of digital subscriptions for the 4<sup>th</sup> quarter of 2022 were published in January. The number of digital subscriptions in the Baltic States was 12% higher than a year earlier and totalled 146 608 at the end of December 2022.



- The Supervisory Board of AS Express Post, 50% of which is owned by AS Ekspress Grupp, decided to liquidate the home delivery service business of Express Post by the end of 2023.

### FEBRUARY

- In accordance with the shareholders' resolution from 2 May 2022, the Group announced buying back up to 588 235 own shares from the shareholders between 15 February and 6 March 2023 at the price of EUR 1.70 per share.



- Due to the resignation of Kaspar Hanni as the member of the Management Board of AS Ekspress Grupp, changes were made in the Supervisory and Management Boards of the key subsidiaries of Ekspress Grupp effective from February 2023. 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 became a member of the Supervisory Board of the Latvian subsidiary A/S Delfi and the members of the Supervisory Board

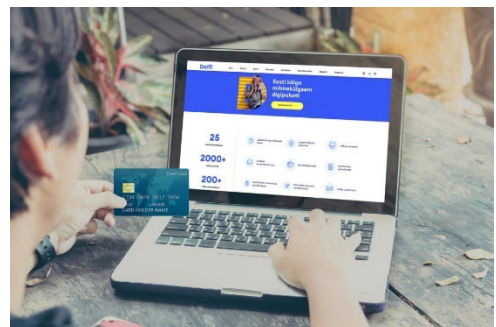
are Mari-Liis Rüütsalu (Chairman), Hans Luik and Signe Kukin.

### MARCH

- The Supervisory Board of AS Delfi Meedia, the subsidiary of the Group, decided to extend the powers of the Management Board members Erle Laak-Sepp and Tarvo Ulejev until 10 June 2026 and the powers of Piret Põldoja until 1 September 2023. The Management Board of Delfi Meedia continued with former members: Argo Virkebau (Chairman of the Management Board), Erle Laak-Sepp, Tarvo Ulejev, Urmo Soonvald, Piret Põldoja and Sander Maasik.
- The highlight in March was the coverage of general elections. Delfi election studio, produced by Delfi Meedia's Delfi TV and with the highest journalistic and technical quality in its history, attracted approximately 100 000 viewers. The election debate of Kaja Kallas and Martin Helme triggered a lively debate in the society.

### APRIL

- According to the results of the share buy-back programme announced in February, 162 investors had submitted orders to sell back 2 077 440 shares in the amount of EUR 3 531 648 during the period of placing share redemption orders.
- According to the results of digital subscriptions for the 1<sup>st</sup> quarter of 2023, the number of Baltic digital subscriptions was 15% higher than a year earlier (Q1: 10%) and totalled 161 278 at the end of March.



- Sales revenue of AS Ekspress Grupp in the 1<sup>st</sup> quarter of 2023 increased by 25% to EUR 16.8 million and EBITDA increased by 87% to EUR 1.2

million. As expected, due to the seasonality, the Group's net operating loss in the 1<sup>st</sup> quarter of 2023 totalled EUR 0.4 million which is 20% lower than a year earlier. Digital revenue made up 80% of the Group's total revenue at the end of March.



## MAY

- On 4 May 2023, the annual general meeting of shareholders of Ekspress Grupp approved the annual report of 2022 and the proposal for profit allocation.
- The Supervisory Board of AS Ekspress Grupp decided to elect Karl Anton to the Management Board until 5 June 2026. As Head of Development, Karl Anton will be responsible for the Group's development activities. Effective from 5 June 2023, the Management Board of Ekspress Grupp consisted of Mari-Liis Rüütsalu (Chairman), Signe Kukin and Karl Anton.
- On 24 May 2023, AS Ekspress Grupp paid out 5 euro cents per share in dividends.

## JUNE

- In June, Kroonika magazine hosted the Entertainment Awards Gala in Krull Quarter that attracted 700 guests. The event received extensive media coverage and was broadcast live by TV3. The show was memorable and the number of social media postings exceeded expectations.



- Bīļešu Paradīze mediated tickets of the 150<sup>th</sup> Song Festival held in Riga which increased both its number of tickets sold and its revenue.

## JULY

- Signe Kukin who was Chief Financial Officer and member of the Management Board of AS Ekspress Grupp resigned at her own request on 31 August. To find a new CFO and Management Board member, the Group organised an executive search. Until the nomination of the new member, the Group's Management Board had two members: Mari-Liis Rüütsalu (Chairman) and Karl Anton.
- In July, the results of digital subscriptions for the 2<sup>nd</sup> quarter of 2023 were published: the number of digital subscriptions of AS Ekspress Grupp in the Baltic States increased by 24% in a year (Q2: 9%, 1<sup>st</sup> 6 months: 20%) and totalled 175,379 subscriptions.



- The revenue of AS Ekspress Grupp in the 2<sup>nd</sup> quarter of 2023 increased by 13% to EUR 18.5 million and EBITDA increased by 8% to EUR 2.4 million. The revenue for the 1<sup>st</sup> 6 months of 2023 increased by 18% in a year to EUR 35.3 million and EBITDA increased by 25% to EUR 3.6 million. The Group's net profit was EUR 0.6 million in the 2<sup>nd</sup> quarter and EUR 0.2 million in the 1<sup>st</sup> six months of the year, a which is 71% lower than a year earlier. At the end of June, digital revenue accounted for 82% of the Group total revenue and increased by 28% as compared to the same period a year earlier.

## AUGUST

- The Lithuanian Competition Council decided to launch a review of the acquisition of 100% of the shares of UAB Lrytas by Ekspress Grupp in December 2022. The reason for the analysis was a complaint by UAB 15min.
- Due to the resignation of Signe Kukin, member of the Management Board of AS Ekspress Grupp, changes were made in the composition of supervisory boards of key subsidiaries of the Group as of the start of September 2023. Karl Anton, member of the Management Board of Ekspress Grupp, became member of the

Supervisory Board of AS Delfi Meedia that has three members including Hans Luik (Chairman), Mari-Liis Rüütsalu and Karl Anton. Karl Anton also became the new member of the Supervisory Board of Latvian subsidiary A/S Delfi and the Lithuanian subsidiary UAB Delfi. Both supervisory boards have three members: Mari-Liis Rüütsalu (Chairman), Hans Luik and Karl Anton.

- The Supervisory Board of AS Delfi Meedia decided to extend the powers of Piret Põldoja as the member of the Management Board until 31 August 2026. The Management Board of Delfi Meedia continued with the current members: Argo Virkebau (Chairman), Erle Laak-Sepp, Tarvo Ulejev, Urmo Soonvald, Piret Põldoja and Sander Maasik.

## SEPTEMBER

- The Supervisory Board of A/S Delfi, the Group's Latvian subsidiary, decided to extend the powers of Konstantins Kuzikovs, member of the Management Board, by five years. The Management Board of A/S Delfi continued with the current members: Konstantins Kuzikovs (Chairman), Filips Lastovskis and Maira Meija.

## OCTOBER

- According to the results of digital subscriptions for the 3<sup>rd</sup> quarter of 2023, the number of digital subscriptions of AS Ekspress Grupp in all Baltic States increased by 30% as compared to a year earlier (Q3: 2%, nine months: 23%) and at the end of September totalled 179 753.



- The Supervisory Board of AS Ekspress Grupp elected Argo Rannamets as the member of the Management Board and Chief Financial Officer until 31 October 2026. Argo Rannamets has versatile experience from both a large international group and a start-up company operating in the digital sector and with this unique combination can undoubtedly contribute to the development of Ekspress Grupp. From 1 November 2023, the members of the Management Board of AS Ekspress Grupp are Mari-Liis Rüütsalu (Chairman), Karl Anton and Argo Rannamets.

## NOVEMBER

- In November, Delfi Meedia organised Anett Kontaveit Tennis Show that was broadcast live by Telia and Delfi.



## DECEMBER

- AS Õhtuleht Kirjastus, 50% of which is owned by AS Ekspress Grupp, entered into an agreement to acquire 100% of AS Express Post, half-owned by Estonia's two largest media enterprises AS Ekspress Grupp and AS Postimees Grupp. The transaction will be completed by 30 April 2024 at the latest after the terms and conditions required for the completion of the transaction are fulfilled.
- The Lithuanian Competition Council imposed a fine on AS Ekspress Grupp for violating competition rules when purchasing Lithuanian news portal Lrytas. AS Ekspress Grupp has contested the decision in court.

## MEDIA DISTINCTIONS AND AWARDS IN 2023

### ESTONIA

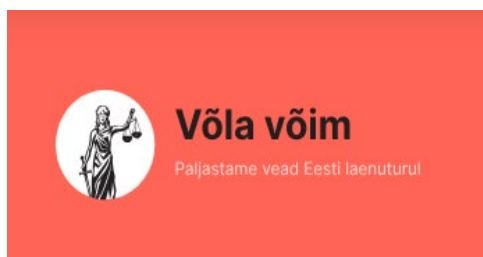
- In February 2023, the President of Estonia Alar Karis awarded the **Order of the White Star, IV Class** to **Tarmo Vahter**, a long-time journalist of Eesti Ekspress.



- Two cooperation projects of **Martin Laine**, journalist of Delfi Meedia, with other journalists belonging to the OCCRP (Organised Crime and Corruption Reporting Project) were nominated for the finals of a pan-European investigative journalism contest named after **Daphne Varuana Galizia**. One finalist of this contest is also **The Rotenberg Files**, a project led by OCCRP and Russia's independent publication iStories, based on leaked documents about the Rotenberg brothers who are oligarchs with close ties to Putin. Delfi Meedia was a partner also in this project.

- The winners of the **Estonian Journalism Awards 2022** were announced also in February 2023:

- The main award – Journalist of the Year 2022 – was won by the “Ukraine quartet” consisting of **Roman Staropopov** from Delfi Meedia, Jaanus Piirsalu from Postimees, as well as Anton Aleksejev and Kristjan Svrgsden from ERR which recognises all reporters who have been to Ukraine.
- The award for investigative journalism, also known as the **Bonnier Prize**, went to **Riin Aljas, Oliver Kund, Martin Laine, Holger Roonemaa, Tiina Kaukvere** and **Aleksander Algo**, journalists from Eesti Päevaleht, Eesti Ekspress and Maaleht, for their **series of articles on the dark side of the payday loan business**.



- The Young Journalist 2022 award was won by **Martin Laine** from Eesti Päevaleht.



- The winner of the best feature story in Russian is **Roman Staropopov** with the series **"Delfi in Ukraine"** published in RusDelfi: **DELFI IN UKRAINE | Soon this will be the second Mariupol. How people escape from shelling in Severodonetsk** published on 1 April, **PHOTO AND VIDEO | Officers of the Armed Forces of Ukraine – Delfi: “Fighting to become heavy in the near future. If we don’t hold out, Russia will come to you** published on 5 May and **We didn’t bury them, they’re lying there, go and collect them. The fields in the Kyiv region are covered with fallen Russian soldiers** published on 17 May.

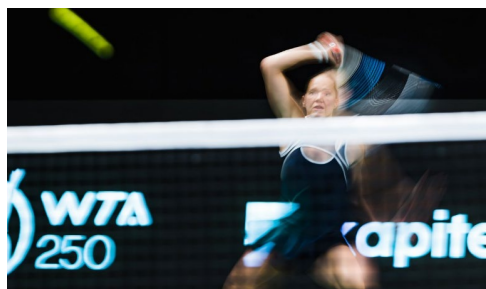


- The award for the best opinion article in Russian language was won by **Jevgenia Parv** for her article **“Change of pedagogical staff of Russian-language schools – it is not a problem, but an opportunity”** published in RusDelfi on 15 November.

- The winners of the Podcast Award are Eesti Ekspress journalists **Aleksander Algo** and **Lauri Närep** for the podcast **FREEFLOW | The rapper's road from Soundcloud to the concert stage in the Anniversary of the Republic in just a few years** that aired on 14 May.
- Multimedia Award went to Eesti Ekspress for the article **INTERACTIVE VOYAGE | Escape from Ukraine** whose authors are **Greete Lehepuu, Rain Pruul, Mart Nigola, Anna Plukk** and **Kristina Õun**, published on 27 June.



- The nationwide news prize was won by the article of **Holger Roonemaa** and **Urmas Jaagant** "Tell him to get this darn bill approved by the parliament first. Uber files expose behind-the-scenes lobbying of the multinational corporation in Estonia" published in Eesti Päevaleht on 10 July.
- The nationwide opinion prize was awarded to **Andrei Šumakov** with his opinion article **LETTER TO RUSSIA ON MOTHER'S DAY | RusDelfi editor-in-chief Andrei Šumakov: Mom, turn off the TV!** published in Eesti Päevaleht on 7 May.
- The award for the best sports photo was won by Delfi Meedia's photojournalist **Kiur Kaasik** for his photo **Winning with blue-black-and-white - in the first round of the WTA tournament in Estonia, Kaia Kanepi scores a victory over southern neighbour Ostapenko, using a racket that, when photographed with long exposure, turned into the flag of Estonia.**



- The award for the best press video was won by **Aleksander Algo, Andrei Jakobovitš** and **Daniel Leevik** with the Delfi Meedia video **From the job portal to the battlefield** in which Delfi exposed how Russia recruits' fighters for the

war. Delfi TV studied how Russian army uses job portals to find workers and discovered that it was easier than expected.

- In the open group of nationwide newspapers, the winner is **Eesti Ekspress**, graphic designer **Tuuli Prees: Putin: something for the vegans, something for the cannibals.**
- The winner of the category of digital works is **Eesti Ekspress (26 March 2022), Karl-Erik Leik and Anna Plukk: „Help, please. Instagram is flooded by pleas to find relatives from Mariupoli trapped in the blockade”.**



## LATVIA

- Delfi journalist **Sarmīte Gaidulele** received the young journalist's grant of the **Westphalia Peace Prize.**



- Delfi Latvia won seven nominations for **“Excellence Awards 2022/2023”** of the Latvian Union of Journalists and the award for the best interview. With seven nominations, Delfi Latvia was second only to the public television media.



- Delfi Latvia was awarded the label “**Family-friendly Employer**”.
- Delfi also won the **Baltic Brand Ranking** category for Latvians’ most favourable media brand.



## LITHUANIA

- Special correspondent of Delfi Lithuania, **Tomas Janonis**, and science and technology editor, Šarūnas Meškys, received an award in the **21<sup>st</sup> creative competition Man and Environment (Žmogus ir aplinka) of the Lithuanian Ministry of the Environment and the Lithuanian Union of Journalists**.



- Delfi’s sports journalist **Mindaugas Augustis** received the prize of the Lithuanian association of sports journalists for the most noteworthy articles in 2023.

- The children’s rights protection and adoption agency of the Lithuanian Ministry of Social Affairs and Labour awarded a prize to Delfi journalist **Dainius Sinkevičius** whose work has helped to improve the welfare of Lithuanian children and has protected their rights and needs.



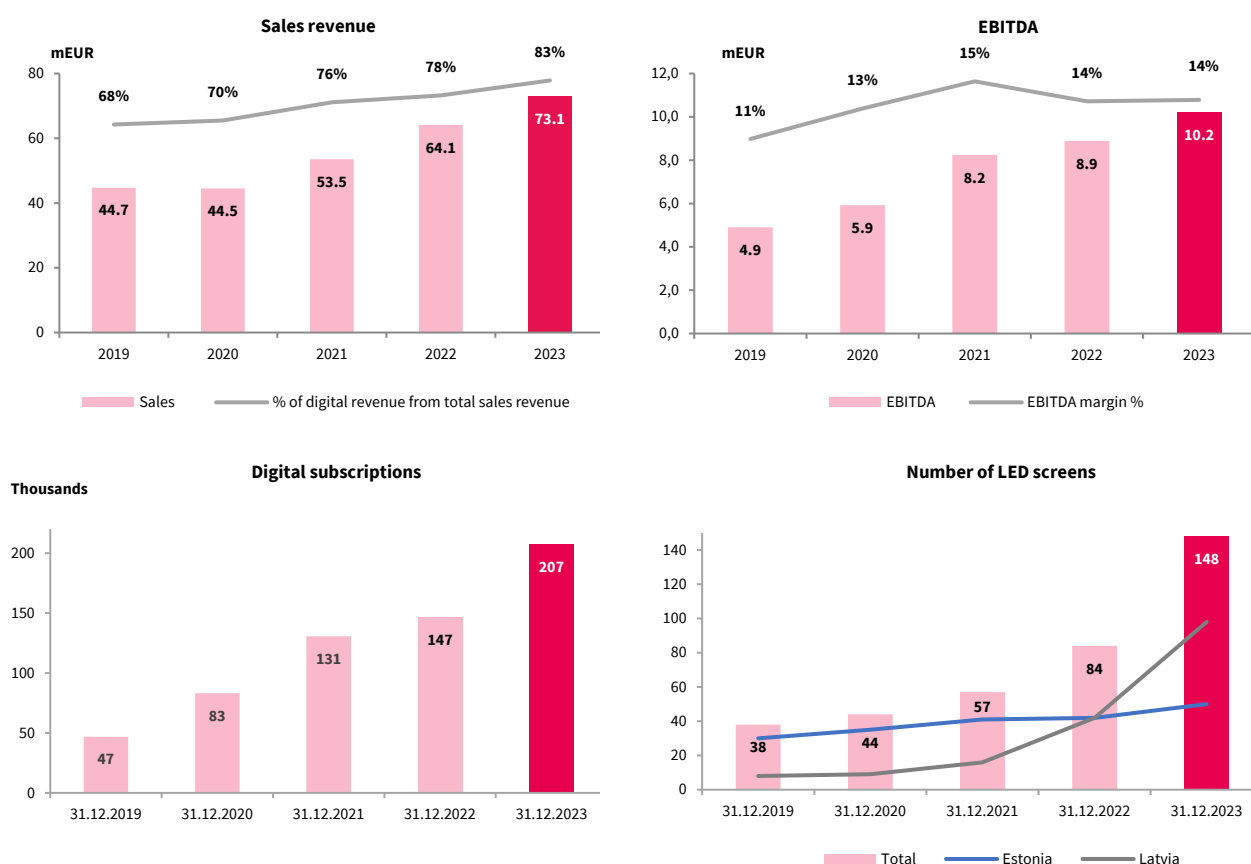
- In the ceremony of Annual Press Awards, **Lrytas.lt** received the Authenticity Award from **Paparazzi Agency**.
- **Delfi** was recognised by Lithuania’s leading communication agency **Publicum** for entrepreneurship development and received the **leader of the sector award**, **ELTA** was recognised for the revival of the sector.



## BUSINESS OPERATIONS

### SUMMARY OF THE RESULTS

The following information is presented only for continuing operations unless otherwise stated.



### REVENUE

In 2023, the consolidated revenue totalled EUR 73.1 million (2022: EUR 64.1 million). The revenue increased by 14% year-over-year. If to exclude from revenue the acquisitions made in the Lithuania in the 2<sup>nd</sup> half of 2022 (news portal Lrytas and news agency ELTA), the 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 2023 (at the end of 2022: 78% of total revenue). Digital revenue increased by 21% as compared to the same period last year.

### PROFITABILITY

In 2023, the consolidated EBITDA totalled EUR 10.2 million (2022: EUR 8.9 million). EBITDA increased by 15% as compared to the previous year and the EBITDA margin was 14% (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.

In 2023, the consolidated net profit, excluding extraordinary expenses, totalled EUR 3.7 million (2022: EUR 4.1 million). The consolidated net profit decreased by 9% as compared to last year. Including one-off expenses, the consolidated net profit for 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 results as an additional charge of EUR 0.8 million. The results were also 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 2023, the cost of goods sold, marketing, and general and administrative costs totalled EUR 67.4 million (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 2023, the Group employed 976 employees on average which is 92 more as compared to the same period last year (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 lytas.lt acquired in December 2022. An additional 20 employees were transferred from other companies in Estonia, Latvia and Lithuania.

On 24 February 2022, military action began between Ukraine and Russia. The Group has neither any operations nor any assets in Ukraine and Russia, and therefore, the war has only an indirect impact on the Group. The operations of these countries have an indirect impact on the Baltic economies, including energy prices, raw materials and their overall impact on the economies of Europe and other Western countries.

### **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 2023, the Group's cash flows from operating activities totalled EUR 12.2 million (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 2023, the Group's cash flows from investing activities totalled EUR -3.9 million (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 2023, the Group invested EUR -1.2 million in new LED screens, funded with a finance lease.

In 2023, the Group's cash flows from financing activities totalled EUR -6.2 million (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.

The Supervisory Board of AS Ekspress Grupp has approved the group's dividends policy, according to which Ekspress Grupp will pay at least 30% of the annual profit as dividends starting from 2022.



*Argo Rannamets, Chief Financial Officer of the Group*

The year 2023 was another year of strong sales growth for Ekspress Grupp. Despite the economic downturn, which shaped the entire economic environment in the Baltic States, the Group's revenue increased by 14% in a year and totalled EUR 73.1 million. Against the backdrop of the general economic slowdown, digital advertising revenue has been in an upward trend both in Estonia and Lithuania, and in general, the growth of total sales revenue is differentiated and distributed across all main business segments. Digital revenue increased by 21% in a year and contributed 83% to the Group's total revenue by the end of December. The digital revenue growth of the Group's media companies and the number of customers 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.

In Latvia, the total market volume decreased and the advertising revenue of Ekspress Grupp earned in Latvia was also 6% lower than last year. However, this decrease in Latvia was offset by the revenue growth of the ticket platform and digital screens. The Group's ticket platform increased sales both through the number of events in the portal as well as the growth in the average ticket price.

Over the last year, the Group gained almost 61 000 new readers with 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 larger monthly recurring revenue base is being created without the need for additional sales activity (costs). The average price, which was higher than previously, also made a positive contribution to the subscription revenue growth. We have also improved the quality and volume of the content provided by the Group's media companies, in order 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% in a year and exceeded 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 aims at providing 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 10.2 million, increasing by 15% in a year. 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.

For us as the Group, the ongoing improvement of efficiency continues to be of importance, in order to maintain the EBITDA margin and achieve the minimum 15% level as laid down in our strategy. Implementation of our growth ambitions and the transition to digital media requires investments in technology. Of the investments made in 2023, EUR 3.4 million was related to the development and acquisition of property, plant and equipment and intangible assets, a sign of higher investments in products and technologies. The Group also invested EUR 1.2 million in new LED-screens.

At the end of 2023, 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 Group's future investment capacity continues to be in focus when shaping the liquidity position, and we consider it important to maintain our liquidity reserves for possible new acquisitions as well as possible cooling of the economy. We have an additional overdraft facility of EUR 3 million, which ensures the necessary liquidity buffer for future operations.

When designing our further activities, we will take into consideration that the difficult economic situation will also continue in 2024. It can be assumed that the general GDP growth will remain close to zero and, depending on a particular country, will move slightly to up or down. Despite the economic situation, we are still positive at Ekspress Grupp about the growth of our future business volumes, both from the point of view of digital subscription revenue and all other revenue in the digital areas. In 2024, we will focus on developing the long-term business strengths in media, ticket sales platforms and outdoor media. We remain committed to our growth strategy and achieving our long-term financial goals.

## FINANCIAL INDICATORS AND RATIOS

Performance indicators (EUR thousand)	2023	2022	Change %	2021	2020	2019
<b>Continuing operations</b>						
Sales revenue	73 086	64 141	14%	53 516	44 514	44 717
Revenue from all digital channels (%)	83%	78%		76%	70%	68%
<b>EBITDA</b>	<b>10 217</b>	<b>8 891</b>	<b>15%</b>	<b>8 240</b>	<b>5 924</b>	<b>4 904</b>
<b>EBITDA margin (%)</b>	<b>14.0%</b>	<b>13.9%</b>		<b>15.4%</b>	<b>13.3%</b>	<b>11.0%</b>
Operating profit	5 499	4 797	15%	4 864	3 071	2 337
Operating margin (%)	7.5%	7.5%		9.1%	6.9%	5.1%
Interest expenses	(1 499)	(738)	-103%	(709)	(860)	(1 085)
Profit/(loss) of joint ventures under the equity method	(661)	(242)	-173%	(281)	102	(38)
<b>Net profit from continuing operations***</b>	<b>3 691</b>	<b>4 055</b>	<b>-9%</b>	<b>4 133</b>	<b>2 566</b>	<b>755</b>
<b>Net margin (%) - continuing operations***</b>	<b>5.1%</b>	<b>6.3%</b>		<b>7.7%</b>	<b>5.8%</b>	<b>1.7%</b>
Net profit for the period in the financial statements	3 351	4 055	-17%	4 133	2 566	755
Net margin (%) - continuing operations	4.6%	6.3%		7.7%	5.8%	1.7%
Return on assets (ROA) (%)**	3.3%	4.3%		2.4%	2.7%	1.6%
Return on equity (ROE) (%)**	6.2%	7.6%		4.1%	4.9%	2.8%
Return on capital employed (ROCE) (%)	7.0%	6.2%		6.6%	4.1%*	3.7%*
<b>Earnings per share (euro) - continuing operations</b>						
Basic earnings per share	0.1113	0.1335		0.1362	0.0852	0.0249
Diluted earnings per share	0.1081	0.1294		0.1316	0.0820	0.0249

\* For years 2020-2019 the return on capital employed (ROCE) (%) ratio is calculated on the basis of EBIT, which also includes EBIT from discontinued operations.

\*\* Return on assets ROA (%) and return on equity ROE (%) ratios are calculated on the basis of net profit, which also includes net profit from discontinued operations.

\*\*\* 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 2023.

Balance sheet (EUR thousand)	31.12.2023	31.12.2022	Change %	31.12.2021	31.12.2020	31.12.2019
<b>As of the end of the period</b>						
Current assets	23 094	19 444	19%	20 553	18 482	19 472
Non-current assets	82 672	80 392	3%	73 705	75 695	75 935
<b>Total assets</b>	<b>105 766</b>	<b>99 836</b>	<b>6%</b>	<b>94 258</b>	<b>94 177</b>	<b>95 407</b>
<i>incl. cash and cash equivalents</i>	9 606	7 448	29%	10 962	6 269	3 647
<i>incl. goodwill</i>	48 166	48 779	-1%	45 576	43 085	42 628
Current liabilities	27 438	22 422	22%	20 947	18 945	21 647
Non-current liabilities	21 787	21 991	-1%	19 619	20 613	22 137
<b>Total liabilities</b>	<b>49 225</b>	<b>44 413</b>	<b>11%</b>	<b>40 566</b>	<b>39 558</b>	<b>43 784</b>
<i>incl. borrowings (excl. rental liabilities according to IFRS 16)</i>	20 177	20 763	-3%	17 062	19 181	21 307
<b>Equity</b>	<b>56 541</b>	<b>55 423</b>	<b>2%</b>	<b>53 692</b>	<b>54 619</b>	<b>51 622</b>
<b>Net debt</b>	<b>10 570</b>	<b>13 315</b>	<b>-21%</b>	<b>6 100</b>	<b>12 912</b>	<b>17 660</b>
<b>Total capital</b>	<b>67 112</b>	<b>68 738</b>	<b>-2%</b>	<b>59 793</b>	<b>67 531</b>	<b>69 282</b>

Financial ratios (%)	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Equity ratio (%)	53%	56%	57%	58%	54%
Debt to equity ratio (%)	46%	46%	41%	41%	47%
Debt to capital ratio (%)	23%	24%	17%	23%	29%
Total debt/EBITDA ratio	1.97	2.34	2.07	2.74*	3.15*
Liquidity ratio	0.84	0.87	0.98	0.98	0.90

\* For years 2020-2019 total debt/EBITDA ratio is calculated on the basis of EBITDA, which also includes EBITDA from discontinued operations.

### Cyclicality

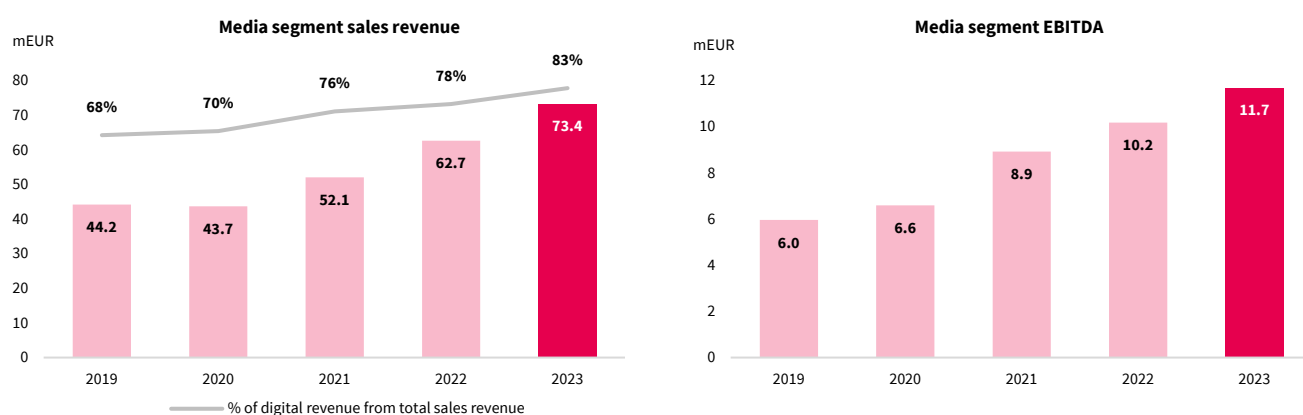
All operating areas of the Group are characterised by cyclicality and fluctuation, related to the changes in the overall economic conditions and consumer confidence. The Group's revenue can be adversely affected by an economic slowdown or recession in home and export markets. It can appear in lower advertising costs in retail, preference of other advertising channels and changes in consumption habits of retail consumers.

### Seasonality

The revenue from the Group's advertising sales is impacted by major seasonal fluctuations. The level of revenue is the highest in the 2<sup>nd</sup> and 4<sup>th</sup> quarter of each year and the lowest in the 3<sup>rd</sup> quarter. Revenue is higher in the 4<sup>th</sup> quarter because of higher consumer spending during the Christmas season, accompanied by the increase in advertising expenditure. Advertising expenditure is usually the lowest during the summer months, as well as during the first months of the year following Christmas and New Year's celebrations. In terms of subscription revenues, fluctuations due to seasonality are minimal, especially in terms of digital subscriptions.

## SEGMENT OVERVIEW

Starting from September 2021, the group is operating only in one continuing business area – the media segment. The media segment includes the Group's activities in Estonia, Latvia and Lithuania. It comprises the operations of online news 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, operation of the electronic ticket sales platform in Latvia and Estonia, and production studio for content creation in Lithuania and Estonia.



### Key financial indicators for segments (continuing operations)

(EUR thousand)	Sales					
	2023	2022	Change %	2021	2020	2019
Media segment	73 365	62 690	17%	52 093	43 728	44 218
<i>advertising revenue</i>	42 074	37 613	12%	33 781	28 173	29 472
<i>subscriptions (incl. single-copy sales)</i>	19 016	16 819	13%	13 311	11 336	10 199
<i>marketplaces</i>	3 434	2 232	54%	1 013	851	1 368
<i>outdoor screens</i>	3 530	2 396	47%	1 448	920	1 148
<i>sale of other goods and services</i>	5 311	3 630	46%	2 539	2 448	2 031
Corporate functions	2 642	4 500	-41%	4 118	2 761	2 076
Inter-segment eliminations	(2 920)	(3 050)		(2 695)	(1 975)	(1 577)
<b>TOTAL GROUP</b>	<b>73 086</b>	<b>64 141</b>	<b>14%</b>	<b>53 516</b>	<b>44 514</b>	<b>44 717</b>
<i>incl. revenue from all digital channels</i>	60 460	49 928	21%	40 453	30 963	30 534
<i>% of revenue from all digital channels</i>	83%	78%		76%	70%	68%

(EUR thousand)	EBITDA					
	2023	2022	Change %	2021	2020	2019
Media segment	11 695	10 183	15%	8 927	6 601	5 966
Corporate functions	(1 477)	(1 122)	-32%	(669)	(720)	(1 150)
Inter-segment eliminations	(1)	(171)		(18)	43	90
<b>TOTAL GROUP</b>	<b>10 217</b>	<b>8 891</b>	<b>15%</b>	<b>8 240</b>	<b>5 924</b>	<b>4 906</b>

EBITDA margin	2023	2022	2021	2020	2019
Media segment	16%	16%	17%	15%	13%
<b>TOTAL GROUP</b>	<b>14%</b>	<b>14%</b>	<b>15%</b>	<b>13%</b>	<b>11%</b>

#### 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.
EBIT	Earnings before interest and tax.
EBITDA margin (%)	EBITDA / sales x 100
Operating margin (%)	Operating profit / sales x100
Net margin (%) - continuing operations	Net profit from continuing operations in financial statements/sales x100
Earnings per share	Net profit / average number of shares
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 to IFRS 16) / EBITDA
Debt-Service Coverage Ratio (DSCR)	EBITDA / (interest payments + principal repayments)
Liquidity ratio	Current assets / current liabilities
Return on assets ROA (%)	Net profit / average assets x 100
Return on equity ROE (%)	Net profit / average equity x 100
Return on capital employed (ROCE) (%)	EBIT / (total assets - current liabilities) x 100

## **MEDIA SEGMENT**

In 2023, the revenue of the media segment totalled EUR 73.4 million (2022: EUR 62.7 million). Revenue increased by 17% as compared to the same period last year. At the end of 2023, digital revenue made up 83% of total revenue (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 2<sup>nd</sup> half of 2022 (news portal Lrytas and news agency ELTA), media segment revenue increased by 12% in 2023.

### ***Advertising***

In 2023, 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 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 2023, subscription revenue increased by 13% as compared to the same period last year. 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 2023, the revenue from ticket sales platforms increased by 54%. The key contributor is Latvia, where ticket sales volumes are in an upward trend, despite a weaker economic environment. 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.

### ***Outdoor screens***

In 2023, the advertising revenue from outdoor screens increased by 47% as compared to last year. The growth has primarily been boosted by the expansion of the outdoor screen network. In 2023, 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, 42 in Latvia and 42 in Estonia).

## DIGITAL SUBSCRIPTIONS

### Detailed overview of digital subscriptions:

(number of subscriptions)	31.12.2023	31.12.2022	change %
AS Delfi Meedia	102 793	85 551	20%
AS Õhtuleht Kirjastus	24 875	22 530	10%
Geenius Meedia OÜ	6 998	5 616	25%
<b>Estonia total</b>	<b>134 666</b>	<b>113 697</b>	<b>18%</b>
Delfi AS (Latvia)	26 427	14 131	87%
Delfi UAB (Lithuania)	39 872	18 780	112%
Lrytas UAB (Lithuania)	6 363	-	-
<b>Ekspress Grupp total</b>	<b>207 328</b>	<b>146 608</b>	<b>41%</b>

The total number of digital subscriptions of AS Ekspress Grupp increased by 41% in the Baltic States year-over-year 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 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 and totalled 24 875.
- The number of digital subscriptions of Geenius Meedia OÜ increased by 25% year-over-year and totalled 6998.
- In Latvia, the number of digital subscriptions of Delfi A/S increased by 87% year-over-year and totalled 26 427.
- In Lithuania, the number of digital subscriptions of Delfi increased by 112% year-over-year and totalled 39 872.
- The Lithuanian media portal Lrytas started selling paid content in the 4<sup>th</sup> quarter of 2023 and reached 6363 digital subscriptions by the end of December.

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 6000 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.

## RISK MANAGEMENT

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The management board of the Group is responsible for the Group's risk management. Risk management activities and the expected functioning of the process are supervised by the Group's Supervisory Board and the Audit Committee.

Risk management is an important and integral part of managing the Group's business processes, it identifies potential risks, develops internal controls designed to mitigate them, and offers the Group's management a regular overview of risk issues. The management's ability to identify, measure and control various risks has a significant impact on the Group's profitability. Risk is defined by the Group's management as a possible negative deviation from the expected financial result.

The Group's risk management objectives are as follows:

- to support strategy development and implementation;
- to help achieve the Group's financial and operational goals;
- to recognize new potential opportunities in business;
- to prevent undesirable events.

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.

Risk assessment and updating are part of daily management activities. The risks of both existing and developing activities are assessed.

The risks associated with the Group's activities that have a more significant impact are operational and business risk, compliance risk and financial risk (including credit risk, liquidity risk, interest rate risk, price 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.

### OPERATIONAL RISK

Operational risk is a possible loss caused by insufficient or non-functioning processes, employees and information systems or external factors such as economic recession, war, etc. Operational risks are managed by applying risk management principles, management principles and performance indicators. Insurance has been used to reduce the impact of some operational risks.

The general economic situation significantly affects the Group's operations, especially advertising sales. During periods of economic growth or recovery from recession, there are positive trends in advertising revenue. In the event of an economic recession or negative financial outlook, companies tend to cut their advertising budgets. The Group monitors advertising sales forecasts and market developments of subsidiaries every week, and there is an action plan in case of possible fluctuations. The latter includes planning for different scenarios and tighter control over costs.

Russia's invasion of Ukraine and the resulting increase in geopolitical tensions have created a number of operational and business risks for the Group. The Group has forecasted different scenarios and action plans in case of possible power outages and (or) military intervention. The media company has an important role in society and the goal is to prevent disruption of daily news production.

Circulations of paper products are still decreasing and the pressure on input costs is increasing, with the largest share attributable to costs related to printing and home delivery services. The pressure of input costs is also transferred to sales prices, but is limited to the price level accepted by the end consumer. The Group partly mitigates the paper price risk by purchasing paper in advance for printing and expanding the list of suppliers, thereby improving the competitive situation.

It is strategically important to grow the digital subscription base. The ability to grow and attract new subscribers depends on the size of the readership and its satisfaction with the products. However, the ability to maintain and increase the readership depends on the content offered. The lasting quality of the latter depends in turn on the Group's ability to recruit, develop and retain talent and create conditions for people to do their jobs well.

The involvement of employees in the risk assessment process improves the general risk culture. For performing transactions, different limits are used to minimise possible losses. The four-eye principle in use, under which the confirmation of at least two employees independent of each other or that of a unit is necessary for the performance of a transaction or a procedure, and it reduces the possible occurrence of human errors and mistakes. Considering the scope and volume of the Group's activities, it is also important to manage the risk of fraud. In order to reduce the risk of fraud and the resulting damage, the proportion and effectiveness of preventive measures have been increased. A code of ethics has been adopted in the Group, and a hotline compliant with the Whistleblower Protection Directive is in use.

The management estimates that the dependence of the Group's activities on IT systems is high and continuous investments are made to increase its security and reliability. We see a potential risk to our ability to grow and develop along with technical requirements and expectations. The Group's business developments are mostly driven by the needs of customers (readers/subscribers). Cyber risk, the risk of breaching data security and privacy requirements is also important. The ability to detect server attacks in a timely manner continues to be enhanced, staff is being trained on data security and data protection topics. The responsibility for managing operational risk lies with the Management Board of the Group and the management boards of the subsidiaries.

## **COMPLIANCE (LEGAL) RISK**

The Group monitors several risks related to compliance with laws and regulations. It is important to stay informed of the developments in national, EU-level and international regulations and agreements. Since one growth opportunity is the acquisition of new companies and competitors, all transactions are supported by transaction advisors and lawyers.

All aspects related to data protection (GDPR) are important and the Group complies with all related laws and regulations. The Group conducts data protection audits of its subsidiaries and thereby supports the implementation of principles and procedures at the company level.

The four eyes principle mentioned in the operational and business risk section is also applied to legal and compliance matters, such as transactions, including all contracts and other legal documents. The management assesses the legal protection of the Group as good, and there are currently no additional significant legal and regulatory risks.

## **CREDIT RISK**

Credit risk is expressed as a loss which may be incurred by the Group and is caused by the counterparty if the latter fails to perform its contractual financial obligations. Credit risk arises from cash and bank, trade receivables, other short-term receivables and loans granted.

The payment discipline of clients is continuously monitored to reduce credit risk. A credit policy has been established to ensure the sale of services to clients with an adequate credit history and the application of prepayments to clients in a higher risk category. According to the credit policy, different client groups are subject to different payment terms and credit limits. Clients are classified on the basis of their size, reputation, and the results of credit background checks and history of payment behaviour. At the first level, the advertising clients are divided into two groups: advertising agencies and direct clients, they are further grouped according to the above principles. The Group applies the same credit policy in all Baltic States, but is aware of different credit behaviour of clients. Subsidiaries in Estonia outsource reminder services in order to collect overdue receivables more effectively.

In the case of new clients, their credit background is checked with the help of financial information databases such as Kredidiinfo and other similar databases. At the beginning clients' payment behaviour will be monitored with heightened interest. Upon following the payment discipline, it is possible to receive more flexible credit terms, such as longer payment terms, higher credit limits, etc. Upon violation of the payment discipline, stricter credit terms are applied. In case of large transactions, in particular in the segment of printing services, clients are requested to make prepayment or provide a guarantee letter.

The Group is not aware of any substantial risks related to the concentration of its clients and partners.

More information on credit risk is disclosed in Note 4 of the consolidated financial statements.

## **LIQUIDITY RISK**

Liquidity risk means that the Group may not have liquid funds to fulfil its financial obligations in a timely manner.

The objective of the Group is to maintain a balance between the financial needs and financial possibilities of the Group. Cash flow planning is used as a means to manage the liquidity risk. To manage liquidity risk as effectively as possible, the bank accounts of the Parent Company and its subsidiaries comprise one group account (cash pool) which enables the members of the group account to use the finances of the Group within the limit established by the Parent Company. The group account operates in Estonia, but foreign subsidiaries in Latvia and Lithuania are also part thereof. According to the policy of the Group, all subsidiaries and joint ventures prepare long term cash flow projections for the following year, which are adjusted on a quarterly basis. For monitoring short-term cash flows the subsidiaries prepare thirteen-week cash flow projections on a weekly basis.

To manage the liquidity risk, the Group uses different financing sources which include bank loans, overdraft, continuous monitoring of trade receivables and delivery contracts.

Overdraft credit is used to finance working capital, long-term bank loans and lease agreements are used to make capital expenditures to acquire non-current assets. The Group's overdraft loan is long-term and related to the term of the loan contract. This essentially works as a long-term line of credit, the use of which the Group can regulate at its own discretion.

More information on credit risk is disclosed in Note 4 of the consolidated financial statements.

## **FOREIGN EXCHANGE RISK**

Foreign exchange risk arises when future business transactions or recognised assets or liabilities are fixed in a currency which is not the functional currency of the Group. Although the Group's business activities are international, the Group has not foreign exchange risk. The functional currency of the Group's companies is euro. The subsidiaries are typically required to use the euro as the currency in foreign contracts. The amounts received in foreign currencies are converted into euros immediately after their receipt in order to reduce open foreign currency positions. No other means are used for hedging foreign exchange risk.

More information on credit risk is disclosed in Note 4 of the consolidated financial statements.

## **INTEREST RATE RISK**

Interest rate risk means that a change in interest rates results in a change in the cash flow and profit of the Group. The interest rates of loans granted and lease taken are generally tied to 6-month Euribor plus margin.

The Group's interest rate risk is related to short-term and long-term borrowings which carry a floating interest rate. The interest rate risk is mainly related to the fluctuation of Euribor.

More information on credit risk is disclosed in Note 4 of the consolidated financial statements.

## **PRICE RISK**

Circulations of paper products are still decreasing and the pressure on input costs continues to increase that are most affected by costs related to printing and home delivery services. The pressure of input costs is also transferred to sales prices, but it is limited by the price level accepted by the end consumer. The Group partly mitigates the paper's price risk by buying paper in advance for printing and expanding the list of suppliers, improving the competitive situation.

## **CAPITAL RISK**

The main objective of the Group upon managing capital risk is to ensure the sustainability of the Group in order to ensure income for its shareholders and benefits for other stakeholders, while maintaining the optimal capital structure in order to reduce the price of capital.

The Group sees the availability of new financing options as part of the capital risk. The availability of financing options on acceptable terms is influenced by many factors, including (1) the company's credit rating or lack thereof; (2) the company's financial performance; (3) general capital market liquidity; (4) general economic situation, etc.

According to the common industry practice, the Group uses the debt to capital ratio to monitor its capital. The debt to capital ratio is calculated as the ratio of net debt to total capital. Net debt is calculated by deducting cash and bank accounts from total debt (short and long-term interest bearing liabilities recognised in the consolidated balance sheet). Total capital is recognised as the aggregate of equity and net debt.

More information on credit risk is disclosed in Note 4 of the consolidated financial statements.

The main risks of the Group and the measures used to mitigate them are presented below:

Risk	Description	Risk mitigation measures	Probability of risk materialising	Impact of risk
1	General deterioration of the economic situation	Weekly monitoring of sales forecasts, forecasting of long-term cash flow	Medium	Medium
2	Geopolitical tensions	Different action plans and scenarios in case of escalation	Medium	Strong
3	Declining profitability of printed products	Transfer of price pressure to the end consumer and changes in the raw material (paper) purchasing process	High	Medium
4	Failure to grow digital subscriber base	Creation of quality content, continuous monitoring of the digital subscriber market, completion of relevant trainings, improvement of user experience, continuous investments in product development	Low	Medium
5	Cyber security	Personnel training, investments to increase security and reliability	Medium	Strong
6	Requirements arising from the GDPR regulation	Training employees, involving the group's data protection specialist in making important decisions and conducting regular compliance audits	Medium	Medium

## 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 (31.12.2021: 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%
<b>TOTAL</b>	<b>30 796 841</b>	<b>100.00%</b>

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

The authorities of the Management Board of AS Ekspress Grupp are specified in the Commercial Code and they are limited to the extent determined in the articles of association of the company.

### Shares held by members of the Management Board and Supervisory Board

Mari-Liis Rüütsalu holds 36 924 shares.

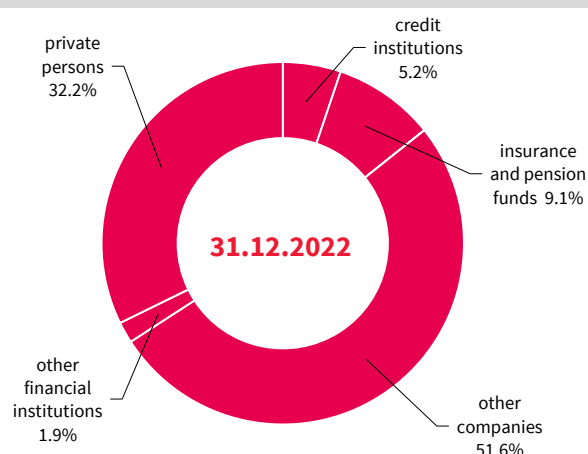
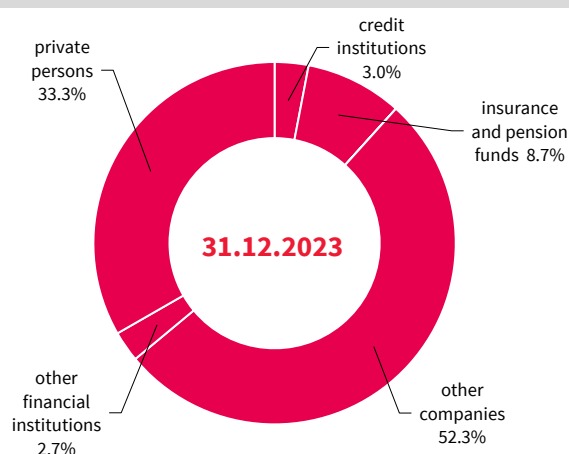
Argo Rannamets does not hold shares.

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).

## Distribution of shareholders by category

Category	31.12.2023		31.12.2022	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Private persons	4 913	10 252 055	4 854	9 930 432
Other companies	282	16 098 689	274	15 882 793
Other financial institutions	37	846 635	39	585 368
Credit institutions	10	930 147	11	1 595 862
Insurance and pension funds	7	2 668 896	7	2 801 967
Non-profit organisations	2	419	2	419
<b>TOTAL</b>	<b>5 251</b>	<b>30 796 841</b>	<b>5 187</b>	<b>30 796 841</b>



## Geographical distribution of shareholders

Country	31.12.2023		31.12.2022	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Estonia	5 190	29 652 065	5 130	29 498 575
Finland	20	33 578	18	32 949
Latvia	6	76 888	5	73 563
Lithuania	5	157 081	5	153 534
Germany	5	139 900	6	95 329
Netherlands	4	6 404	3	8 788
United Kingdom	2	227 146	1	322 573
Sweden	2	74 118	2	103 067
Italy	2	1 607	2	1 607
Australia	2	611	2	611
Belgium	2	160	2	160
Denmark	2	101	3	151
Switzerland	1	243 681	2	266 863
Luxembourg	1	103 807	1	144 811
Monaco	1	60 356	1	84 196
United States	1	11 108	1	7 164
Ireland	1	5 000	0	0
Spain	1	2 000	1	1 800
Canada	1	1 000	1	1 000
Czech Republic	1	130	0	0
Portugal	1	100	1	100
<b>TOTAL</b>	<b>5 251</b>	<b>30 796 841</b>	<b>5 187</b>	<b>30 796 841</b>

## AS Ekspress Grupp share information and dividend policy

### Share information

ISIN	EE3100016965
Ticker symbol	EEG1T
List/segment	BALTIC MAIN LIST
Issuer	Ekspress Grupp (EEG)
Nominal value	0.60 EUR
Issued shares	30 796 841
Listed shares	30 796 841
Date of listing	05.04.2007

### 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 payout 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	<b>2022</b>
Dividend payment per share (EUR)	6 cents	7 cents	10 cents	8 cents	<b>5 cents</b>
Total payment of dividends (EUR thousand)	1 787	2 085	3 028	2 425	<b>1 488</b>
Dividend pay-out ratio (%) - calculated on the net profit from continuing operations	131%	212%	119%	59%	<b>37%</b>
Dividend pay-out ratio (%)	41%	66%	121%	108%	<b>37%</b>
Date of fixing the list of dividend recipients	29.06.2017	20.06.2018	19.11.2021	16.05.2022	<b>18.05.2023</b>
Date of dividend payment	06.07.2017	03.07.2018	23.11.2021	20.05.2022	<b>24.05.2023</b>

## 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 15<sup>th</sup> February 2023 and ended yesterday 6<sup>th</sup> 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 9<sup>th</sup> March 2023.

## Securities trading history 2019–2023

Price (EUR)	2023	2022	2021	2020	2019
Opening price	1.49	1.59	0.79	0.83	1.04
Closing price	1.29	1.50	1.56	0.80	0.83
High	1.69	1.90	1.90	0.86	1.03
Low	1.27	1.36	0.77	0.59	0.72
Average	1.51	1.64	1.17	0.68	0.86
Traded shares, pieces	418 182	1 136 944	3 166 936	2 886 728	762 202
Sales, EUR million	0.63	1.87	3.72	1.95	0.66
Capitalisation at balance sheet date, EUR million	39.73	46.20	48.04	24.48	24.58
P/E ratio (price earnings ratio)	11.86	11.41	21.42	9.76	17.64

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.



# SUSTAINABILITY REPORT

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It is the second year that Ekspres Grupp publishes a separate ESG report as part of its annual report. The separate ESG report consolidates the financial report in the same volume as the annual report, and covers the operations of the parent group and all its subsidiaries as part of its annual report. The goal of publishing a separate ESG report is to gradually become compliant with the requirements of the EU Sustainability Reporting Directive and its reporting requirements. The application of the Directive will be mandatory for Ekspres Grupp from 2024 (in 2025 for the year 2024).

As before, the Group's sustainability activities and, in connection with it, the report are based on the ESG (environmental-social-governance) strategy created in 2022 (described on pages 42-44). We have organised and shortened the form of presentation as compared to what was published in the 2022 report, focusing primarily on Group-wide ambitions. The focus of the report is set on the important topics identified in the strategy creation. We measure and analyse our development in these areas with the help of the benchmarks directly related to the strategy (marked in italics), as well as with the benchmarks required in the standards established by the EU Sustainability Reporting Directive. We have collected more data on ESRS benchmarks this year than before, and we plan to add more data in 2024 to fully meet the requirements of the standard in 2025.

In assessing important focus topics, we have taken into account our supply chain and the view of our customers. For the most part, our policies, measures and targets only cover the activities of our companies and their impact on customers and end-users. The benchmarks also generally only contain information about our Group's own activities. Where we have included value chain data, it is highlighted separately with the relevant benchmark or policy description.

The numeric benchmarks presented in 2023 do not include data of AS Express Post. The home delivery business of Express Post was shut down as of 30 June 2023 and as a result of the closure of the business line, AS Express Post laid off approximately 450 employees.

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## ESG STRATEGY

Ekspress Grupp is the leading media group in the Baltic States and therefore plays an important role in the development of the society. The Group's periodicals significantly shape the public information space in all its three home markets, i.e. Estonia, Latvia and Lithuania. As an employer of a considerable size, the Group has an obligation to manage all Group enterprises in an ethical and responsible manner, and to create independent, professional and reliable media content.

Ekspress Grupp has consistently been engaged in management of its social responsibility and impact. Expectations about the responsibility of the media sector have increased in recent years and global sustainability trends influence the operations of all Group companies on a daily basis. Consequently, in 2022 we drew up a Group-wide ESG strategy so that we can take a great leap forward in sustainability-related activities. The strategy forms the basis for the Group's goals and main operations which help to reach the goals at the Group and company level. With the ESG strategy, we try to meet the expectations of our interest groups and contribute to the achievement of the UN's sustainable development goals.

***“Our first steps in implementing our ESG strategy – to successfully integrate sustainable practices into digital content creation and focus on responsible advertising – have been promising. In the coming years, we are going to deepen our commitment to ESG principles in all aspects of our business, with a particular focus on reducing environmental impact and enhancing sustainable practices in our supply chain.”***

***Argo Rannamets, Ekspress Grupp CFO and member of the Management Board***

**As a Group, Ekspress Grupp is dedicated to ensuring that all group companies have a positive impact on people and the environment, contributing to the fulfilment of the UN Sustainable Development Goals.**

We are actively seeking opportunities to create a positive impact on the society through the core activities of group companies. We adhere to the international principles of responsible enterprise (including UN Global Compact), OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights to ensure that our operations and business strategy do not infringe the rights or wellbeing of any stakeholder groups. In addition, we wish to reduce the impact of the Group's operations on the environment and to make our contribution to achieving the goal of alleviating the climate change according to Paris agreement.

## Development process of the ESG strategy

The ESG strategy of Ekspress Grupp is based on the international standards of a responsible enterprise, EU sustainability regulations and the sector's best practices. When creating the strategy in 2022, in cooperation with external experts, we also mapped out important topics (materiality analysis). It does not yet fully comply with the European Financial Reporting Advisory Group (EFRAG) guidance on the use of the double materiality principle and the involvement of stakeholders necessary to comply with the Sustainability Reporting Standards (ESRS), but we plan to further improve our assessment based on the guidance. The ESG strategy of Ekspress Grupp is based on the international standards of a responsible enterprise, EU sustainability regulations and the sector's best practices.

In our materiality analysis made in 2022, we took into account the following aspects.

- 1. Media Materiality 2022**, mapping out important themes for the media sector published by the **Responsible Media Forum (RFM)** and based on the view of different stakeholder groups. This includes International ESG reporting frameworks, investor indices and mapping out key themes of the RFM members. In addition, the RFM conducted interviews with sustainability specialists of media companies, policymakers and representatives of non-governmental organisations.
- 2. EU sustainability requirements.** As a listed company of a considerable size, Ekspress Grupp must comply with several EU sustainability regulations, in particular the Taxonomy Regulation and the Sustainable Reporting Directive. Looking ahead, the Group considers it important to comply with the directive on corporate sustainability due diligence and the directive on enhancing gender equality in the management boards of listed companies.

- 3. **International standards of responsible enterprise.** As an international media company, Ekspress Grupp considers it important to adhere to the OECD Guidelines for Multinational Enterprises.
- 4. **View of key managers of Ekspress Grupp.** Members of the Management Board of Ekspress Grupp, CEOs of the key subsidiaries and editors-in-chief of media houses participated actively in defining the goals for the ESG strategy and in approving the course of action.

As a result of the analysis of significant themes we identified nine ESG focus themes. We consolidated these themes under three areas of social impact and responsibility and assigned priority levels to them. We have not yet assessed quantitative financial impact of these points of impact.

Area of social impact and responsibility	Focus themes	Level
<b>Leading ethical and responsible media group</b>	Independent and impactful media group	Fundamental importance
	Responsible advertising platform	Fundamental importance
	Subscribers' rights and wellbeing	Base level
<b>Responsible and attractive employer</b>	Personal and professional development of employees	Strategic importance
	Employee wellbeing	Strategic importance
	Equal treatment, diversity and engagement	Strategic importance
<b>Responsibly and sustainably managed company</b>	Reduction of environmental impact resources efficiency and climate impact	Strategic importance
	Honest and responsible management	Base level
	Supply chain sustainability	Base level

The objective of dividing focus themes into different levels was to formulate our social impact by ESG themes and to understand which themes require more resources due to their bigger impact and strategic importance.

- **Fundamentally important** – topics directly associated with our core activity and where our impact on the society is the largest;
- **Strategically important** – topics that have strategic importance for our direct and wider impact and in terms of our long-term success;
- **Base level** – topics that require constant attention and development mainly from the point of view of efficiency and compliance with relevant requirements.

## Brief overview of the ESG strategy

Focus theme	Commitment	Target for 2025
<b>Leading ethical and responsible media group</b>		
<b>Independent and impactful media group</b>	<ul style="list-style-type: none"> <li>➤ The goal of Ekspress Grupp is to be the leading supporter of freedom of speech in the Baltics and to promote the society, providing access to fact-based and quality information.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Publications of Ekspress Grupp do not publish unethical or irresponsible information.</li> <li>➤ Zero violations of Ekspress Grupp's journalism code of ethics (in preparation).</li> </ul>

Focus theme	Commitment	Target for 2025
<b>Responsible advertising platform</b>	<ul style="list-style-type: none"> <li>➤ Our goal is to be a well-known, trusted, ethical and responsible advertising platform for our customers and readers.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Zero cases where advertising or content marketing published on our platforms does not comply with our internal rules.</li> </ul>
<b>Subscribers' rights and wellbeing</b>	<ul style="list-style-type: none"> <li>➤ We shall ensure the security and privacy of our users/customers/readers and make sure that our media content and services are accessible to all stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Zero violations of personal data protection requirements.</li> <li>➤ Access is ensured to all media content, taking also into consideration the needs of people with special needs.</li> </ul>
<b>Responsible and attractive employer</b>		
<b>Personal and professional development of employees</b>	<ul style="list-style-type: none"> <li>➤ We are a leading employer in the media sector of all three Baltic countries. We facilitate and actively offer possibilities for personal and professional development. We support employees in adapting to the changing media landscape, in particular in the development of digital competence.</li> </ul>	<ul style="list-style-type: none"> <li>➤ We have drawn up personal study and development plans for all our employees.</li> </ul>
<b>Employee wellbeing</b>	<ul style="list-style-type: none"> <li>➤ We provide a working environment that promotes employee health and wellbeing and where employees can fulfil themselves.</li> </ul>	<ul style="list-style-type: none"> <li>➤ We preserve high employee satisfaction level.</li> <li>➤ Zero cases of work-related health damage.</li> </ul>
<b>Equal treatment, diversity and engagement</b>	<ul style="list-style-type: none"> <li>➤ Equal treatment, diversity and engagement are inherent to all companies and the organisational culture of Ekspress Grupp.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Zero percent wage gap between men and women.</li> <li>➤ To reach compliance with the EU Directive on gender balance in business leadership.</li> </ul>
<b>Responsibly and sustainably managed company</b>		
<b>Reduction of environmental impact: resources efficiency and climate impact</b>	<ul style="list-style-type: none"> <li>➤ We constantly reduce the climate impact of the organisation as well as services/products.</li> <li>➤ We improve the resource efficiency of our activities and products.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Digital companies of Ekspress Grupp reduce the climate impact across the value chain by 2030, in compliance with Paris agreement, and reach climate neutrality by 2050.</li> </ul>
<b>Honest and responsible management</b>	<ul style="list-style-type: none"> <li>➤ Honest and responsible management Group companies must be managed with integrity, lawfully and ethically.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Zero cases of corruption or violation of business ethics related to Group companies or employees.</li> </ul>
<b>Supply chain sustainability</b>	<ul style="list-style-type: none"> <li>➤ We require that our suppliers comply with our sustainability ambitions and values, and follow the same ESG practices.</li> <li>➤ When purchasing products and services we take into account the environmental impact when it is relevant and possible.</li> </ul>	<ul style="list-style-type: none"> <li>➤ All our main suppliers comply with ESG principles.</li> </ul>

## ESG MANAGEMENT

In Ekspress Grupp, the responsibility for managing ESG issues lies with the member of the Management Board and CFO, Argo Rannamets, who has long-term ESG experience from the Ragn-Sells Group. In addition, we involve external experts in our work. The Group's subsidiaries have appointed persons responsible for ESG issues, who take care of both implementation of changes and reporting, and in larger subsidiaries, ESG management groups have also been set up.

***"To meet all the requirements in our sustainability efforts, we constantly keep an eye on the developments in ESG, remain flexible and proactive and adapt our strategy according to needs."***

***Argo Rannamets, Ekspress Grupp CFO and Management Board member***

At quarterly meetings of the Supervisory Board of subsidiaries, the person responsible for ESG issues in the subsidiary provides an overview of material ESG-related impacts, risks and opportunities, and the performance of policies, measures, benchmarks and objectives related to the impact, risks and opportunities. Once a quarter, also the Management Board of the Group presents the status of the ESG field to the Supervisory Board of the Group.

The remuneration of the members of administrative, management and supervisory bodies of Ekspress Grupp and its subsidiaries does not depend on the fulfilment of sustainability targets.

Composition of administrative, management and supervisory bodies of the parent company of Ekspress Grupp	2023
Number of members of the executive management (Management Board)	3
Number of non-executive members (Supervisory Board)	4
Average ratio of female and male members of the Management Board and the Supervisory Board	28.57%
The share of independent members of the Management Board and the Supervisory Board	28.57%
The proportion of variable remuneration dependent on the fulfilment of ESG goals	0%

An overview of the background, roles and responsibilities of administrative, management and supervisory bodies is presented in the Corporate Governance Report on pages 82-85.

### Risk management and internal control of sustainability reporting

In 2023, we implemented a Group-wide Risk Management Policy based on the requirements set by the Tallinn Stock Exchange, the Financial Supervision Authority and other regulatory bodies, generally accepted accounting standards and good practice, and the internal regulations and policies of the Group and its subsidiaries. Group-wide risk management includes the identification, measurement and control of risks, and we also use this policy when analysing sustainability-related risks. The internal control of sustainability reporting takes place through periodic reporting: subsidiaries provide the Group with an overview of their ESG activities, key performance indicators and provide an overview of bottlenecks. In 2024, we plan to start monitoring key performance indicators with a higher frequency than before and to improve the efficiency of data collection methods.

## SOCIAL IMPACT

As a leading media group, Ekspres Grupp is well aware of its role in the economic and social development of all its home markets. Group companies have undeniably the biggest impact and possibility to contribute to the society and democracy through their core activities – by creating media content and offering modern digital solutions and services. To ensure that our positive contribution has as great an impact as possible, we conduct our activities in all media segments according to principles of corporate responsibility and sector standards.

### Independent and impactful media

The role and responsibility of media is to bring relevant and challenging themes to the public. Coverage of social challenges turns attention to important processes that need to be changed so that they can be positively influenced thereafter.

With its ESG strategy, Ekspres Grupp assumes a Group-wide role and accountability for creating real changes to support sustainable development, especially UN Sustainable Development Goals. To contribute to the public, Ekspres Grupp’s companies focus mainly on creating professional and trusted journalistic content, taking a leading position in the market in covering sustainability topics and contributing to the development of the media sector by public statements and through professional associations. The process of strategy creation and identification of points of impact has been described in more detail on pages 42-44.

ESG strategy	
<b>Commitment</b>	<ul style="list-style-type: none"> <li>➤ The goal of Ekspres Grupp is to be the leading supporter of freedom of speech in the Baltics and to promote the society, providing access to fact-based and quality information.</li> <li>➤ We want to contribute to the development of the media sector more broadly in order to maintain and promote the good level of press freedom in the Baltic States.</li> <li>➤ Our ambition is to be a leading reporter of sustainability issues in the Baltics.</li> </ul>
<b>Target</b>	<p>Publications of Ekspres Grupp do not publish unethical or irresponsible information, i.e.</p> <ul style="list-style-type: none"> <li>➤ Publications of Ekspres Grupp do not publish unethical or irresponsible information.</li> <li>➤ Zero violations of Ekspres Grupp’s journalism code of ethics (in preparation).</li> </ul>
<b>Strategic activities</b>	<ul style="list-style-type: none"> <li>➤ We actively work to ensure that our journalistic content is independent, ethical and of high quality.</li> <li>➤ We contribute to the development of media literacy and information literacy in cooperation with relevant interest stakeholders.</li> <li>➤ We connect publications with socially important focus themes and create and develop media platforms focused on sustainability topics.</li> </ul>

We adhere to the following principles of accountable journalism.

- **Press ethics starts with independence.** Journalism needs to be independent and free. The work of journalists and periodicals should not be influenced by business interests, political links, personal relations or gains, bribes or any other benefits. The principles of balanced journalism are followed in all group companies. Various parties are allowed to express themselves equally and they can present counterarguments and, if necessary, corrections. The sources of presented information are always verified. Each journalist is responsible for source and confidentiality protection. In case of sensitive topics, the line of ethics should be perceived.
- **Standing up for credibility and freedom of expression.** The continued and increasingly sharp polarisation of the public increases the pressure on media houses to create and present reliable and quality journalistic content in a timely manner.
- **Comment control.** Comments are an important part of online publications as they enable the readers to express their views on topics that are important to them. Ekspres Grupp’s media publications promote comments by users who are registered and logged in. Inappropriate comments are removed by both human moderators and a machine-learning moderating system.

## Overview of 2023: accountable journalism

We are developing a Group-wide journalism code of ethics, which we plan to complete in mid-2024. In preparing it, we take into account the views of our stakeholders, while ensuring consistency with the core values of ethical and independent journalism.

***"Our journalistic content strictly adheres to traditional norms, focusing on unbiased reporting, fact-checking and editorial oversight."***

***Rasa Lukaitytė-Vnarauskienė, editor-in-chief of Delfi Lithuania***

We hold ourselves to the highest standards for the content that we create and the ads that we sell, and our goal is to offer credible, informative and engaging content. We value the time and trust of our users and owners, which is why we adopted a Group-wide anti-clickbait policy in 2023. By establishing these guidelines, we ensure that we maintain ethics, empathy and respect, and strengthen the credibility, informativeness and engagement of our content. We believe in the power of responsible journalism and the ability to positively impact the lives of our readers.

***"A click as such cannot be a value in itself. Our activities are based on the premise that the headlines are good and informative."***

***Martin Mets, CEO and editor-in-chief of Geenius Meedia***

Benchmark	2022	2023	Target for 2025
Number of articles in periodicals of Ekspress Grupp that violate the national journalism code of ethics.	1	6*	0
Non-compliances with Ekspress Grupp's journalism code of ethics (in preparation).	-	-	0

\* The Press Council made a disapproving decision regarding one article published in Eesti Ekspress, two articles published in Eesti Päevaleht, one article published in Kroonika and one article published in Rus.Delfi in Estonia. The Vilnius District Court found that the information in one article published in Lrytas was misleading.

***"In adhering to journalistic ethics, we are advised by a lawyer with whom we discuss all questionable cases before publishing a story. We raise the awareness of the editorial Office by providing regular training, for example in 2023 we focused on the issue of personal data protection in the press."***

***Rasa Lukaitytė-Vnarauskienė, editor-in-chief of Delfi Lithuania***

### Artificial intelligence in Delfi Meedia

In 2022, "Prototype of a tool for measuring the balance of journalism", a project by Indrek Ibrus, professor of media innovation at the Baltic Film, Media and Arts Institute, Andres Karjus, a cultural data analysis researcher at the Institute of Humanities, and Mark Metsa, a junior researcher at the Institute of Humanities, won the contest of applied research and development works organised by the Tallinn University. The winning entry is an application study commissioned by AS Ekspress Grupp whose goal is to develop a new, machine learning-based method for measuring and evaluating the ideological bias in Estonian journalism.

A novel model implemented by artificial intelligence (AI) enables to enhance and automate the prototype so that the ideological stance of the media channel can be assessed on an ongoing basis according to specific subject areas. The project assured us that the method works, and it is possible to teach a machine to recognise text and rate it. This is a prototype, and work was continued in 2023 to find ways to further develop the innovative method and use it more widely to evaluate the content produced by the media group.

In addition, in 2023, the editorial office of Delfi Meedia developed the use of both textual and visual artificial intelligence, provided training to employees on this topic and adopted more systematic approach to the development of the opportunities offered by artificial intelligence. Artificial intelligence has not yet been integrated in everyday work.

## Overview of 2023: significant topics in the media

### ESTONIA

- Before the general elections, Eesti Päevaleht published a **journalistic investigation** on how Russia has attempted to influence elections in Estonia.



- Eesti Ekspress published an in-depth article by freelance author Eero Epner on **recent activities of the foundation Liberal Citizen in the context of elections**.
- Katriina Libe, journalist of the magazine Pere ja Kodu, provided a **comprehensive insight into how therapists without evidence-based training overload the healthcare system**.
- Eesti Ekspress published an investigative article on the activities and background of **Estonian and Ukrainian partners of Johanna-Maria Lehtme who is suspected of misuse of donations given to Slava Ukraini**.



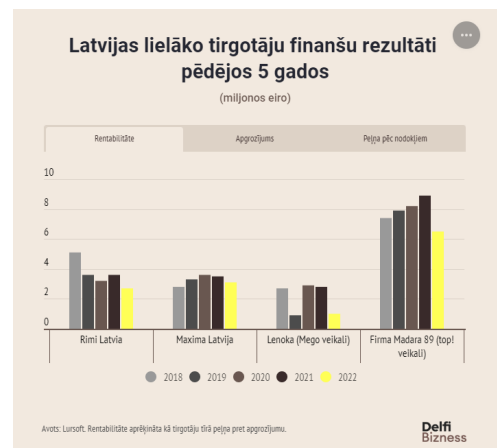
- In the Specialist series of articles, Eesti Päevaleht wrote about the **challenges facing the Estonian healthcare system**. The same problem was covered in detail also by Õhtuleht.
- Geenius Meedia wrote about the **problems of employees of Eurora in leaving the bankrupt company**.
- Õhtuleht highlighted **the problems of people with special needs with the closure of the work-related support system**.

### LATVIA

- Delfi Latvia published a story about **the inappropriate behaviour of basketball coach Andris Stelmahs with his underaged student**.



- Together with the Latvian public radio station Latvijas radio 1, Delfi journalists published a **series of articles on sexual harassment in youth camps**.
- In cooperation with the Baltic Centre for Investigative Journalism, Delfi Latvia published **a series of articles on the pricing policy of grocery chains**. Cost of living was also the focus in the series of analytical articles published by Delfi which also discussed housing conditions in Latvia's rural areas.



- Delfi Latvia published a story about the **death of a young woman and about her decision to donate her organs**. After the publication of the article, the number of Latvians who signed up for organ donation went up notably.

## LITHUANIA

- Special correspondent of Delfi Lithuania, Dainius Sinkevičius, wrote **a story on the criminal background of one of the most well-known priests of the Vilnius Cathedral**. The journalistic investigation that started from a petty theft exposed a priest who engaged in child pornography and sexual harassment. Moreover, during court proceedings it was found out that the prosecutor who was on the case had attempted to sexually abuse the same victim. Both the priest and the prosecutor resigned after the publication of the article. The same author has also exposed other cases of paedophilia. The public debate triggered by Delfi forced the courts to start disclosing full names of people charged of paedophilia also in closed trials.



- Delfi Lithuania published **investigative stories on the Lake Gulbinai development that exposed unauthorised activities of the Lithuanian business elite**. After the publication of the article the prosecutor's office, the environmental agency and the state forest service started an investigation into the matter. Violations were identified and fines and correctional measures were imposed on offenders. After the interference of the Vilnius City Government, also access to the public lake and forest was restored.



- The interview of ELTA with Lithuania's Minister of Foreign Affairs Gabrielius Landsbergis fuelled **a broad-based political and social debate on the issues of national and international security**.

## Overview of 2023: sector development and media competence

As a leading media group, Ekspress Grupp has assumed the role of a spokesperson in the sector, contributing to its development. We actively support the development of media competence and fact-based knowledge.

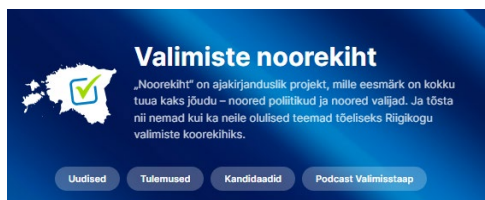
The media publications of the Group are active partners of educational establishments in all three countries: Tartu University and Tallinn University in Estonia, Vilnius University and from 2023, also Vytautas Magnus University in Lithuania, Latvian University, Stockholm School of Economics, Riga Stradin University and Vidzeme University in Latvia. The goal of this partnership is first and foremost to improve the awareness of young people about career choices and possibilities in journalism. 81 trainees worked in Ekspress Grupp companies in 2023.

For expanding media competence and for introducing trends that shape the media sector, the leaders, managers, editors-in-chief, journalists and specialists of other business units of our group companies often make presentations to different stakeholders. Editors and journalists of ELTA give lectures on journalism and media competence at Vilnius University, and journalists of Delfi Latvia train young people in the "Young Media Sharks" camp.

***"This year, our employees were invited to speak at conferences as many as 40 times. In 2023, our employees also represented us 110 times at other events: at various international events, as experts in TV and radio programs, and in nationwide debates. We believe that the activity of our employees strengthens our reputation as a trusted company in the society and in the business environment of Lithuania."***

**Vytautas Benokraitis, CEO of Delfi Lithuania**

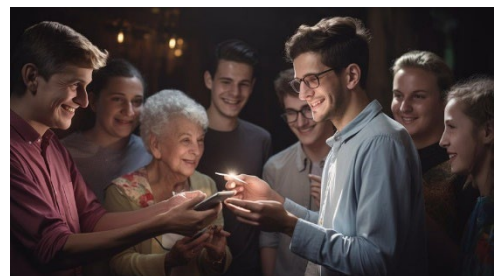
- For promoting media competence, **Delfi Meedia** organised in 2023 a **project on youth and elections** whose goal was to engage and educate the younger target group on issues of elections and the functioning of the society. The multi-year fact-checking project was also continued.



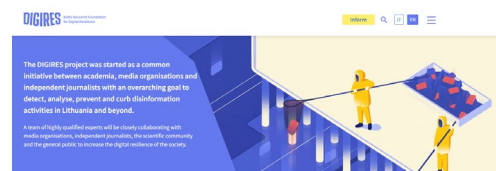
- For the fourth year in a row, **Delfi Latvia** and the **Baltic Centre for Media Excellence** organised a **joint training course #Storygram** where experienced journalists taught upper secondary school students practical skills in journalism and multimedia. This project will be continued in 2024.



- **Delfi Latvia** and the Baltic Centre for Media Excellence organised a joint project **“Digitally Together”** where young people assisted the elderly in issues like media and digital literacy.



- Jointly with the Vytautas Magnus University, **Delfi Lithuania** founded in Lithuania the Baltic Research Foundation for Digital Excellence or **DIGIRES** that specialises in the detection, analysis, exposure and prevention of fake information in Lithuania and elsewhere.



- In 2024 **ELTA** plans to organise a project on media competence in cooperation with **the Ukraine state-owned news agency Ukrinform**.
- In 2024, **Delfi Lithuania** will organise in cooperation with the Baltic Media Centre of Excellence **a hackathon on media competence**

**and training courses on fact-checking**, in addition to training of schoolchildren on media competence.

- In 2024, **Delfi Meedia** plans to increase the share of explanatory journalism in its coverage, i.e. in

addition to presenting facts to place a bigger emphasis on creating context and background.

## Overview of 2023: coverage of sustainable development

We have made it our mission to extensively cover the topics of sustainable development in the Baltic media. It is clear that the readers' interest in sustainability strongly depends on the profile of the somewhat different target groups of the periodicals and how the coverage echoes in the society at large. However, it seems to be a general trend that readers are more and more interested in topics related to the climate change, energy, forest and circular economy. In particular, our media companies are expected to address issues in the areas that most directly affect people in their everyday life. When covering sustainability topics, our subsidiaries follow the usual news criteria.

In 2020, Eesti Päevaleht was the first media outlet in Estonia to launch a climate section in 2020. In 2021, it was expanded into a more general **Green Portal**. In 2023, in addition to consistently covering topics such as car tax, nuclear energy and the climate crisis, an interview series "Kohepööre" ("Turn green now") was published during the general elections in which representatives of all major political parties presented their plans for mitigating environmental and climate problems. The current selection of topics has also increased the number of readers – while in 2022, the Green Portal had an average of 94 300 unique users per month, it increased to 129 259 in 2023.

*"Since our product and topic portfolio is extensive, we try to find angles and topics related to sustainability everywhere. This is how we handle topics and projects, and it is becoming a daily part in the validation of journalistic topics. A good example is sports and entertainment where we also covered the aspect of sustainability in 2023."*

**Urmo Soonvald, editor-in-chief of Delfi and Eesti Päevaleht**

In addition, there is a portal dedicated to environmental issues in Geenius Meedia.

*"We want to show the readers how sustainable activities benefit them, and how small things influence them and the environment in a positive way."*

**Martin Mets, CEO and editor-in-chief of Geenius Meedia**

**Grynas**, a news portal devoted to environmental issues, has been operating under Delfi Lithuania continuously for ten years. In addition to this, environmental challenges covered within the special project **Tvari Lietuva**, based on the UN sustainable development goals where in addition to a continuous news stream, longer analytical articles on topics such as energy, consumer behaviour, education, gender equality, sustainable innovation and environmental protection are published once a month. In addition, video stories are made and brainstorming sessions are conducted to improve public environmental awareness. In 2024, Delfi plans to launch a podcast in the same portal.

In 2023, Delfi Latvia launched its green portal **Mēs darām**, and the Lithuanian publication Lrytas started the sustainability project **Tvarumo kodas**, mapping the journey of businesses towards sustainability both in text and in video, and also hoping to inspire others. The Lithuanian news agency ELTA has also created a separate section dedicated to sustainability.

In addition to the Green Portal of Eesti Päevaleht, Delfi Meedia's other periodicals have developed broader social focus topics, which have been in the focus of our biggest media brands.

- **Delfi** – reduction of the number of traffic deaths
- **Eesti Ekspress** – reduction of domestic violence
- **Eesti Naine** – mental health
- **Maaleht** – adding value to rural life

In 2023, Õhtuleht focused on reporting how the more vulnerable members of our society manage to cope, for example changes in the regulation of long-term protected work and the reasons why medical doctors are leaving Estonia. In 2023, Delfi Latvia shifted its focus to covering the problems of abuse, domestic violence, poverty, alcoholism and the rising cost of living.

***"In 2023, we gave voice to many victims of abuse so that they could tell their stories. As a media outlet, we were able to create a safe and reliable place to tell one's story even when it was emotionally difficult."***

***Filips Lastovskis, editor-in-chief of Delfi Latvia***

Delfi Lithuania focused on the topics of paedophilia and domestic violence. These topics were covered in printed press and documentaries. In addition, Delfi published a series of articles and made a six-part documentary about the life of refugees in Lithuania.

## Overview of 2023: events and cooperation projects

We contribute more broadly to the development of the society through various cooperation projects. As a Group, we have expanded our business into event management, and also focus on sustainability issues, as part of our goal to be advocates for sustainable development issues.

The Group's media companies are members of various local and international organisations:

- Estonian Association of Media Companies (and through this, membership in News Media Europe)
- Internet Media Association
- International Fact-Checking Network (IFCN)
- Latvian Association of Journalists (Latvijas Žurnālistu asociācija)
- International News Media Association – INMA
- The European Digital Media Observatory (EDMO)
- Network of investigative journalists, Baltic Engagement Centre for Combating Information Disorders (BECID)
- European Digital Journalism Network (EDJNet)

The periodicals also participate regularly in cooperation projects and are partners of the following organizations:

- Foundation for Exquisite Journalism (SA Oivaline Ajakirjandus)
- Network of investigative journalism OCCRP (Organized Crime and Corruption Reporting Project). Since 2023, Delfi Meedia is also an official member centre of OCCRP
- International Consortium of Investigative Journalists (ICIJ)
- Calouste Gulbenkian Foundation
- Recakcija, an association of investigative journalists in Lithuania
- The Baltic Centre for Investigative Journalism Re:Baltica
- Latvijas radio

## Cooperation projects that deserve to be highlighted in 2023

### ESTONIA

- In 2023, **Delfi Meedia** started cooperation with the Tartu University's Institute of Social Studies in the specialisation of journalism and communication (BA) as a result of which a new subject will be launched in 2024 on the development of digital media, communication processes in the media organisation, journalistic ethics and workshops on practical journalism. Journalists of Delfi Meedia will be mainly responsible for the mandatory topic of reporting.
- In 2023 **Delfi Meedia** organised the **energy sector conference** with a focus on green energy and cleaner environment. In 2024 the same event will focus in more detail on the future of the Estonian energy sector.



- In 2023 **Geenius Meedia** led on two occasions a public debate group **Evening with Geenius**, where executives of start-up companies openly talked about their failures, mental health and the impact of business on private life. At least two events are planned to be held in the spring 2024.



### LITHUANIA

- In 2022 and 2023, **Delfi Lithuania** organised a **sustainability conference** targeted at enterprises. This will continue in 2024. In the conferences, Lithuania and foreign experts shared their experience and knowledge in the integrated management of ESG, including the measuring of environmental impact and setting reduction targets. Most significant debates were broadcast also in Estonia and Latvia and were accessed by an estimated 87 000 persons per day of the broadcast.



- **Delfi Lithuania** participated in a research project **DIACONET** which began in the summer 2023, is supported by the EU research and innovation framework programme "European Horizon" and whose cooperation partners are European universities and thinktanks. In the course of the project that will last until 2026, the partners will develop a framework to combine media accountability and civic accountability in digital communication with the purpose of fighting both the negative consequences of hate speech and distribution of fake information.

### Donations to the community

In 2023, the subsidiaries of Ekspress Grupp supported various social initiatives, especially aiding Ukraine, but also school newsletters. The total amount of donations was EUR 624 523.

## Responsible advertising

As a media group, our activities are not limited to journalistic content. Advertising sales on our media platforms and digital outdoor displays play a significant part in our commercial success. Therefore, we also have a responsibility to ensure that the marketing messages we deliver are aligned with our own values, and national and international marketing regulations. The process of strategy creation and identification of areas of influence is described in more detail on pages 42-44.

ESG strategy	
<b>Commitment</b>	<ul style="list-style-type: none"> <li>➤ Our goal is to be recognised and trusted by our customers and readers as an ethical and responsible advertising platform.</li> <li>➤ We want to take a leading role in the Baltics in promoting the principles of responsible advertising in the media sector.</li> </ul>
<b>Target</b>	<ul style="list-style-type: none"> <li>➤ Zero cases where advertising or content marketing displayed on our platforms breaches our internal rules (in preparation).</li> </ul>
<b>Strategic activities</b>	<ul style="list-style-type: none"> <li>➤ We ensure that marketing messages delivered on our platforms comply with the law, are honest, sincere and truthful.</li> <li>➤ We ensure a clear line between content marketing and journalistic content.</li> </ul>

***"It is essential for us to maintain open communication about the differences between journalistic and CM content and not let them merge."***

***Filips Lastovskis, editor-in-chief of Delfi Latvia***

## Overview of 2023: advertising sales, content marketing and outdoor advertising

In 2023, we thoroughly assessed the need to harmonise the rules of advertising and content marketing across the Group. We plan to adopt the principles of responsible advertising, which include guidelines on ethical advertising, transparency of marketing messages, and respect for consumer rights, by the end of 2024.

### Advertising sales

All companies of Ekspress Grupp adhere to the obligations and restrictions arising from the law in advertising sales. For Ekspress Grupp, responsible use of data in advertising sales is part of our responsibility to our customers, as well as a business opportunity. In our teams, we approach all campaigns individually and actively communicate with our customers to ensure compliance with ethical principles. Following the trends of the advertising market, the question of how to approach behaviour-based advertising and what constitutes responsible advertising will become more important in the near future; how to avoid misuse of personal data that would be in conflict with either good practice or the law.

### Content marketing

Content marketing continues to grow, setting requirements and restrictions for all media houses to ensure trustworthiness and transparency. The Group is convinced that the journalistic content must not be influenced by the interest of advertisers, content marketing or the organisation of the Group's own commercial events. The Group's periodicals have drawn a clear line between advertising and editorial work – these are different departments and employ different people. Content marketing and other content shown for a fee such as special projects must be visually recognisable and labelled accordingly. This is also the expectation of our customers and readers.

***"We have in place a strict policy that the relationship between the advertising team and the news department is like the relationship between the state and the church."***

***Filips Lastovskis, editor-in-chief of Delfi Latvia***

Our media houses have internally agreed on content marketing rules that are updated from time to time. The media houses do not publish advertisements that are in conflict with their editorial standards or could challenge their independence and objectivity. Although collaboration with customers is open, the final decision to publish content marketing articles is always made by our content editors.

In order to provide the best service to our customers, we are constantly monitoring the ever-changing trends in content marketing. In 2023, Delfi Lithuania introduced multi-platform content in content marketing by turning TV programs and podcasts into text, audio and stories on social media, which allows addressing a wider audience. In 2003, new formats also appeared on the Delfi Meedia platform while interest towards content marketing podcasts increased. These developments prompted Delfi Meedia to formulate clearer guidelines for labelling such formats and the behaviour of journalists.

***"Customers are interested in longer and more informative content marketing stories. It is no longer trendy to talk only about why your product is the best. A more comprehensive approach makes good business sense, offers more to readers and is an inspiration for better journalism."***

***Martin Mets, CEO and editor-in-chief of Geenius Meedia***

Since Delfi Meedia also manages a ticket sales platform, in 2023 it focused on developing the practice and principles for covering, publishing and presenting content related to the events mediated in the sales portal, which will be agreed upon in 2024.

In connection with the Riigikogu elections held in 2023, Delfi Meedia saw a need to distinguish political content from other content marketing, labelled it as political advertising and used stricter fact-checking requirements than usual.

Benchmark	2022	2023	Target for 2025
Number of inconsistencies in content marketing rules	0*	0	0

\*The head of Delfi TV, Arturas Paknys, was cautioned by the Lithuanian Radio and Television Commission for a wrongly marked advertisement on the TV show. No punishment was imposed on Delfi Lithuania.

## Digital outdoor advertising

Part of the social responsibility of our digital outdoor advertising companies (Linna Ekraanid OÜ and D Screens SIA) is related to light pollution from advertising screens, which can affect both city residents and road users. Companies take into account the requirements arising from the law and the agreements of a good outdoor advertising practice; in the case of the latter, cooperation is carried out with national associations of advertising and outdoor media companies. For example, screen brightness is adjusted according to the time of day, and animations are limited to help avoid excessive light noise. Also the restrictions of the Transport Authority to ensure road safety are observed in outdoor advertising.

## Customers and consumers

Our services and service development follow a consumer-centric approach, and our subsidiaries have designed their customer communication processes according to their line of business – our group companies have both private and business customers, and as a media group, we also serve the wider public. Group companies manage large customer databases, and as an increasingly complex digital media group, recognise risks related to data protection.

In creating our ESG strategy and continuously improving our business model, we have taken into account the interests, views and rights of our customers, about which we receive regular feedback from customer surveys. Our customers have different interests – in addition to daily news stories, readers wish to know more about different areas of life: sports, culture and environmental issues. In addition, all media content must be available to each customer in the channel and format of their choice.

The process of strategy creation and identification of areas of influence is described in more detail on pages 42-44.

ESG strategy	
<b>Commitment</b>	<ul style="list-style-type: none"> <li>➤ We shall ensure the security and privacy of our users, customers and readers and make sure that our media content and services are accessible to all stakeholders.</li> </ul>
<b>Target</b>	<ul style="list-style-type: none"> <li>➤ Zero violations of personal data protection requirements.</li> <li>➤ Access is ensured to all our media content, taking also into consideration the needs of people with special needs.</li> </ul>
<b>Strategic activities</b>	<ul style="list-style-type: none"> <li>➤ We ensure the protection and privacy of subscribers' and customers' data, and use data in accordance with the law.</li> <li>➤ We ensure the protection of the rights and well-being of readers/subscribers.</li> <li>➤ We develop the availability of media content on all platforms.</li> </ul>

In 2023, we set initial guidelines for the customer experience policy across the Group and will update them throughout 2024 based on feedback from subsidiaries and industry trends. We plan to adopt the policy by the end of the year.

## Overview of 2023: customer experience and satisfaction

For Ekspress Grupp, it is important to ensure the satisfaction of the customers of Group companies, match the offered services with customer expectations and needs, and exactly fulfil the promises made to the customer. The fulfilment of this promise is the responsibility of the Management Board of Ekspress Grupp.

Our subsidiaries manage the entire chain of creating a complete customer experience, which includes content creation, print quality, channel availability, and customer service. Feedback is collected by all companies in direct contact with the customer in order to offer products/services that meet customers' requirements and expectations in the future.

We monitor customer satisfaction in the following categories:

- **Content.** Delfi Meedia, Delfi Latvia, Õhtuleht and Geenius Meedia monitor customer satisfaction with all paid content. Other media companies of the Group also regularly organize reader surveys.
- **Service.** Delfi Meedia is the company with the largest number of publications in the Group that comes into contact with customers at different stages and collects feedback on the content of publications as well as subscriptions, service process, technical side of the digital environment and home delivery of paper publications. Customer service measures customer satisfaction on a daily basis, and customers are invited to provide feedback on how their problem was handled.
- **Advertisers.** The communication of outdoor advertising companies with advertisers is more personal, and feedback is requested at random, in direct communication with the customer. In 2023, a pilot project for the use of the NPS (Net Promoter Score) survey was carried out in Delfi Latvia, as a result of which it was found that the preparation of the survey sample needed improvement. Other media companies do not use classic NPS surveys.
- **Product development.** Delfi Meedia organises surveys on product development.

- **Brand credibility.** In cooperation with Kantar, the Group measures the trustworthiness and recognition of the Delfi media brand. According to the latest surveys, Delfi Latvia is Latvia's most trustworthy media brand.

#### Customer satisfaction with media companies

In 2023, Delfi Meedia and Geenius Meedia measured the customer satisfaction of registered users. Delfi Meedia used a random sample, 25 379 people responded to the survey, and the customer satisfaction indicator was 81.88%. Geenius Meedia published a survey on its web portal which was answered by 531 readers and the customer satisfaction rate was 95.6%.

## Customer complaints and remediation

Customer complaints are handled personally in the customer service departments of group companies and on a case-by-case basis, and there is no separate procedure for this across the Group. Phone and email contacts of all subsidiaries are published on their website. Since the sales revenue of our companies directly depends on the availability of the service, we fix the errors as soon as possible. In advertising, errors are compensated within the campaign period.

*"We always compensate our customers in case of our incomppliance. Customers can contact us directly and with ease."*

*Mihkel Luks, CEO of Linna Ekraanid*

## Overview of 2023: customer rights and wellbeing

In the case of media content, our main goal is to support openness and participatory democracy and to deal with topics of significant social impact. At the same time, our media outlets are responsible for ensuring that the public information space is designed responsibly and that content that may harm the physical or mental health of readers is either prohibited or displayed with certain restrictions. In the case of advertising content restrictions, we adhere to the advertising laws of Estonia, Latvia and Lithuania.

The customer base of our media companies is mainly divided into three groups: regular readers, registered readers and business customers. Advertising companies operate primarily on a business-to-business model. We have increased the involvement of various stakeholder groups in the information space by creating customer-friendly and attractive digital solutions. Availability, which also takes into account the requirements of people with special needs, is also important for the involvement of all interest groups. We ensure availability of our services in three ways.

- 1. Digital solutions:** we facilitate the availability of services by creating innovative digital solutions.
- 2. Public news blogs:** We ensure that critically important content is available to everyone, including non-subscribers.
- 3. Availability measures:** The Group's goal is to increase the proportion of content covered by various availability measures on our media platforms in order to involve as large part of the society as possible in the information space.

In 2023, our media companies increased their share of audio content as an alternative to written articles, and this functionality is planned to be improved and expanded in 2024.

The vast majority of our media companies that also produce video content have also provided it with subtitles. In 2023, Delfi Latvia made great progress in this field.

Delfi Meedia and Delfi Latvia enhanced the technical solution of their portals, which, thanks to the improvement of the download speed, makes it easier and more convenient to read the news on all devices. The solution also created more options for personalising the user experience, including the option to change the text size. Delfi Lithuania is also planning to switch to the new platform.

Benchmark	2022	2023	Target for 2025
Percentage of content covered with availability measures from total media contact*	70-90%	80-100%	100%

\* All media publications of Ekspress Grupp have not evaluated the share of content covered by availability measures. The range describes the percentage of available content of Delfi in Estonia, Latvia and Lithuania.

## Overview of 2023: data protection

In the global advertising market, compliance with data protection rules has become very important. We actively monitor market trends and change of regulations in order to assess emerging trends in this sector. We have compiled the principles and processes for the secure collection, storage and processing of customer data and protection against malicious attacks, which are implemented by all group companies. Data protection conditions can be found on the website of each company.

All aspects related to data protection are important and the Group makes sure that it complies with all related laws and regulations. We conduct data protection audits of our subsidiaries and thereby support the implementation of principles and procedures at the company level.

In September 2023, we also adopted a group-wide security policy, with which we established uniform principles of conduct to ensure comprehensive protection of people, hardware and software, important infrastructure and information, and processed data. All employees, contractors and third parties who have access to our systems and data must comply with the policy. In addition to the group companies, the policy also applies to all investees that are not part of Ekspress Grupp, but that are controlled by the Group within the limits established by law.

***"In 2023, we added additional security layers to our online publication and made investments to secure our service against cyber attacks."***

***Erik Heinsaar, CEO of Õhtuleht Kirjastus AS***

In cooperation with external consultants, Delfi Meedia updated its data protection conditions in 2023, which can be found on its website. In addition, data protection terms and conditions to be used for recruitment were created.

Benchmark	2022	2023	Target for 2025
Inconsistencies in personal data protection rules	0	0	0
Number of fines for cases of personal data protection violations	0	0	0
Total amount of fines related to the violation of personal data protection	0	0	0

## Employees

Ekspress Grupp has over 1100 employees whose dedication at work helps to fulfil the Group's mission and goals. Quality tools, a flexible work organisation and a supporting team are an important part of creating a motivating work environment.

Retaining and developing current employees as well as training and supporting the next generation are important to us. We need professional and motivated employees both now and in the future. Recruiting the best in the labour market starts with the satisfaction of current employees. This, in turn, depends on the salary, but also on the open and inclusive organisational culture, development opportunities and the comfortable working environment we offer to employees. That is why we contribute to creating a motivating work environment and invest in our employees.

All Group companies employ people with different mother tongue and cultural background. We are tolerant and treat all our employees equally and with integrity. Discrimination of employees on the basis of gender, race, mother tongue, political beliefs, age or any other aspect is prohibited.

We consider it important that our employees are satisfied and healthy, and we provide benefits and subsidies to our employees for health promotion and family events. If desired, we provide flexible working hours. Employees are often invited to attend summer days and other joint events together with their families, because family members play an important role in every employee's life.

***"We already decided years ago that when hiring new people, we must be willing to spend more time and energy for finding the right professional."***

***Urmo Soonvald, editor-in-chief of Delfi and Eesti Päevaleht***

The focus of the Group's HR area is mainly influenced by digitization, creating synergy with new business areas (real estate and ticket sales portal, organizing events) and continuing to make internal processes more efficient.

The process of strategy creation and identification of areas of influence is described in more detail on pages 42-44.

ESG strategy: personal and professional development of employees	
<b>Commitment</b>	<ul style="list-style-type: none"> <li>➤ We are a leading employer in the media sector in all three Baltic States.</li> <li>➤ We create conditions and actively offer opportunities for personal and professional development.</li> <li>➤ We support employees in adapting to the changing media landscape, especially in developing digital competence.</li> </ul>
<b>Target</b>	<ul style="list-style-type: none"> <li>➤ Personal learning and development plans are drawn up for all employees.</li> </ul>
<b>Strategic activities</b>	<ul style="list-style-type: none"> <li>➤ We create a group-wide leadership development programme.</li> <li>➤ We create employee development programs/talent academies in all subsidiaries.</li> </ul>

ESG strategy: health and wellbeing	
<b>Commitment</b>	<ul style="list-style-type: none"> <li>➤ We ensure a working environment that supports the health and well-being of employees, where employees can fulfil themselves.</li> </ul>
<b>Target</b>	<ul style="list-style-type: none"> <li>➤ We maintain a high score for employee satisfaction (eNPS).</li> <li>➤ Zero occupational health damage cases.</li> </ul>
<b>Strategic activities</b>	<ul style="list-style-type: none"> <li>➤ We continuously improve/enhance employee well-being and satisfaction.</li> <li>➤ We ensure a healthy and safe working environment, taking into account both physical and mental health and well-being.</li> <li>➤ We enable and promote work-life balance.</li> </ul>

ESG strategy: diversity and engagement	
<b>Commitment</b>	➤ Equal treatment, diversity and engagement characterise all companies and organisational culture of Ekspress Grupp.
<b>Target</b>	<ul style="list-style-type: none"> <li>➤ Ekspress Grupp has no gender wage gap.</li> <li>➤ To achieve compliance with the European Union directive on gender balance in business leadership.</li> </ul>
<b>Strategic activities</b>	<ul style="list-style-type: none"> <li>➤ We recruit and retain diverse talent.</li> <li>➤ We engage employees and ensure an open organisational culture.</li> <li>➤ We guarantee everyone equal opportunities for career development within the company.</li> <li>➤ We pay employees equal, competitive and decent wages.</li> </ul>

## Overview of 2023: employee characteristics

Equal and fair treatment of all employees is important for us – all Ekspress Grupp companies maintain zero tolerance against discrimination based on gender, race, language, political views, age or other minority characteristics.

***"Our goal is to make sure that every employee feels good in our company and that everyone's expectations are met."***

***Rasa Lukaitytė-Vnarauskienė, editor-in-chief of Delfi Lithuania***

In the context of recruitment, we strictly follow the principles of equal treatment. To promote equal treatment and inclusion, all Ekspress Grupp companies ensure the most flexible working conditions and a working environment that is open and supports diversity.

In 2022, some media companies of the Group hired journalists from Ukraine, Belarus and Russia who had fled their homeland due to the war in Ukraine. Many journalists employed at that time became permanent employees in 2023.

***"The contribution of Ukrainian and Russian journalists hired in 2022 has been significant, contributing to the growth and success of Delfi TV and related platforms. We achieved good synergy between our Lithuanian- and Russian-language editorial offices by translating the texts and videos of our colleagues in the Russian edition. This also led to new subscriptions."***

***Rasa Lukaitytė-Vnarauskienė, editor-in-chief of Delfi Lithuania***

While in 2022, a lot of resources were spent on obtaining work and residence permits for foreign journalists, in 2023 we have been able to focus more on providing professional value.

***"It is clear that these journalists will not be able to return to their homeland as long as the Putin regime remains entrenched. In this light, it is important that the Estonian state allows independent journalists from Russia and Belarus to work in Estonian editorial offices as undisturbed as possible, which helps to expose the real face of the regime that rules their societies."***

***Tarmo Paju, managing editor of Delfi Estonia***

	Estonia		Latvia		Lithuania	
	M	F	M	F	M	F
Employees under 30	61	85	15	13	22	65
Percentage of employees under 30	21.5%		20%		29.8%	
Employees aged 30-49	152	232	39	64	78	101
Percentage of employees aged 30-49	56.7%		73.6%		61.3%	
Employees over 50	50	98	2	7	12	14
Percentage of employees over 50	21.8%		6.4%		8.9%	
Number of permanent employees	262	412	56	83	112	177
Number of temporary employees	1	3	0	1	0	3
Non-salaried employees who provide their labour to the Group						24
Persons whose labour is provided by entrepreneurs whose main activity is labelled as "employment activity"						1
Number of employees with disabilities						13
Percentage of employees with disabilities subject to data collection restrictions						1.17%
Number of trainees						81

## Overview of 2023: satisfaction, equal treatment, diversity and engagement

Our companies mostly work in small teams, allowing managers to easily monitor and improve the microclimate. We value an open work culture and discussion, and managers hold regular one-on-one conversations with employees. Human resources departments of companies solve issues that need wider attention.

***"We have built our company's management culture in such a way that we encourage all employees to ask questions and get in touch on any topic. We listen to everyone and discuss major issues at the management level."***

***Erik Heinsaar, CEO of Õhtuleht Kirjastus AS***

Over the years, we have conducted salary surveys to ensure that our salary system is fair and competitive in the market. For example, Delfi Meedia participates in the Fontes salary survey. Delfi Lithuania and Delfi Latvia as well as D Screens take part in the salary survey of Figure Baltic Advisory. In several group companies, a performance pay system has been established depending on the position, and salaries are regularly reviewed together with the employees. There are no employees covered by a collective agreement in our Group or subsidiaries.

***"We have agreed on a clear salary vision with many employees, where the employees have specific goals which, if achieved, will raise them to the next salary level."***

***Martin Mets, CEO and editor-in-chief of Geenius Meedia***

Benchmark	2022	2023	Target for 2025
<b>Gender equality and wage gap</b>			
<i>Difference of average gross hourly wages of men and women (ratio of wages of male employees) (unadjusted wage gap)</i>	79%*	80.64%	100% (0% wage gap)
Percentage of employees in management position	-	4.78%	-
<i>Percentage of women in management position</i>	31%	35.85%	-
<b>Satisfaction with work</b>			
<i>Voluntary labour turnover</i>	10%	13.57%	-
Total labour turnover		a) 199	-
a) number	-	b) 17.88%	-
b) percentage			
Number of pending work disputes	1	0	-
<i>Employer's Net Promoter Score (eNPS)</i>	-.**	-.**	-
<b>Cases of discrimination and complaints</b>			
Number of cases of discrimination***	0	0	0
Number of complaints reported through the Group-wide anonymous channel	-	0	-
Number of complaints submitted to the OECD national contact points of Multinational Enterprises	-	0	-
Total amount of fines, penalties and damages resulting from discrimination cases and complaints	-	0	-
Number of serious cases of human rights violations	-	0	-
... of which cases that violate the OECD Guidelines for Multinational Enterprises and/or the UN Guiding Principles on Business and Human Rights	-	0	-
Total amount of fines, penalties and damages related to cases of serious human rights violations	-	0	-

\*2022 metric has been restated.

\*\* In 2022 and in 2023, the Employer's Net Promoter Score (eNPS) was not assessed in all companies of Ekspress Grupp. During the implementation phase of the ESG strategy, we plan to standardise the methodology for assessing employee satisfaction and collect regular feedback on the working environment. The eNPS was assessed by Delfi Meedia in 2022 (eNPS: 37). In 2023, the eNPS was assessed by Digital Matter Lithuania (eNPS: 48), Delfi Meedia (eNPS: 31), Delfi Lithuania (eNPS: 51), Delfi Latvia (eNPS: 34.5), Geenius Meedia (eNPS: 79), Öhtuleht Kirjastus (eNPS: 80).

\*\*\*The number of cases officially registered in the company or initiated by the relevant authority.

**"In 2023, we trained our employees on the topics of harassment, discrimination and bullying at work in order to improve the awareness of our employees and to help recognise such cases at work."**

**Mailis Neppo, head of ESG at Delfi Meedia**

## Overview of 2023: professional and personal development

In 2023, we initiated an employee development programme, focusing on media-specific skills and management training. In the coming years, we plan to expand these programmes to cover a wider range of skills and make the development programme available to a larger number of employees in all our subsidiaries.

Our subsidiaries offer employees more and more opportunities to take part in both professional and general educational training outside of the development programme. The content of the trainings is in accordance with the specificities of the positions. In 2023, companies organised trainings in the fields of journalism ethics, artificial intelligence (AI), management, information security, data processing and public speaking, among others. In 2024, our subsidiaries plan to train their employees on, among other things, ethical advertising practices and industry standards and data protection issues.

***“Employees often express their own initiative to receive training, for example, to improve journalistic or IT skills. Organising such trainings and discussions helps employees to be better informed about the market situation and prevailing trends.”***

***Tautvydas Mikalajūnas, CEO and editor-in-chief of Lrytas***

In the interests of general education, as well as to support industry-specific journalism, group companies have educated their employees in 2023 on topics such as investment and mental health.

***“We have also organised trainings not directly related to work, for example in the field of psychology and sports, in order to maintain and improve the team's sense of togetherness.”***

***Mihkel Luks, CEO of Linna Ekraanid***

Lrytas has created an internal information sharing environment where employees can share new knowledge, advice and learning materials related to digital skills with each other.

In addition, the Hans H. Luik training scholarship is intended to increase the development opportunities of employees, with the help of which employees can complete additional training that is not directly related to their field of work. Scholarships are awarded three times a year, and to a large extent the scholarship is used to study new fields, as well as to visit professional foreign conferences.

Employees who received a scholarship in 2023 by company:

➤ Delfi Meedia AS	8
➤ Delfi AS	18
➤ Delfi UAB	14
➤ Õhtuleht Kirjastus AS	7
➤ Lrytas UAB	4
➤ Digital Matter UAB	3

Our subsidiaries also aim to hold regular development discussions with all employees in order to share constructive feedback on work results and encourage continuous development.

***“In 2022, we created the possibility to take a one-month creative leave once every five years, during which half of the salary is retained. From the point of view of time off, the effects of creative leave have been clearly positive, it has allowed employees to do things that are not possible outside of work. At the same time, such a number of creative holidays has not overly affected the work processes of the editorial office.”***

***Urmo Soonvald, editor-in-chief of Delfi and Eesti Päevaleht***

Benchmark	2022	2023	Target for 2025
Average number of training hours per employee	-	6.7	-

## Overview of 2023: health and wellbeing

Our group companies offer a variety of benefits to support the well-being of their employees. Many companies offer a sports benefit, additional health insurance and the possibility to anonymously contact a psychologist either in-house or through external partners.

***"Although we have been using hybrid work in our companies for several years, the year 2023 brought new challenges in improving employee safety. We focused on updating our safety approach to better meet the changing needs of the hybrid workforce and continued to provide resources to support both physical and mental health in remote work environments."***

**Argo Rannamets, CFO and member of the Management Board of Ekspress Grupp**

### Accidents at work and attacks against journalists

Based on the nature of the business activities of the companies of the Group, the possibility of occupational accidents is small. In order to prevent accidents at work, we follow a uniform approach to safety, the laws of Estonia, Latvia and Lithuania and conduct regular safety training sessions. In the event of an accident, we have a comprehensive response plan that includes immediate medical care, investigation and follow-up measures to prevent the accident from happening again. In 2023, Delfi Meedia updated the risk analysis of the working environment, based on which it plans to create ergonomic workplaces in 2024.

In addition to accidents at work, media companies must also consider the possibility of attacks against journalists. In 2023, no Ekspress Grupp journalist was physically attacked (two attacks took place in 2022), but one crime against property was committed, which can be attributed to the victim's journalistic activities. The police are investigating the incident.

During the year, the journalists of Delfi Latvia experienced aggressive verbal attacks in the online environment, in one case the police were contacted to resolve the situation and the case is still under investigation. Geenius Meedia, Õhtuleht Kirjastus and Delfi Meedia have jointly appealed to the court to resolve a verbal attack, the procedure is ongoing.

***"In general, the threat to the health and well-being of journalists has continuously increased both in Estonia and elsewhere in the Western world due to the polarisation of societies, war and coercion activities. This concerns an overall increase in verbal threats and insults both directly and in public spaces, including social media or comment forums. Our policy is unequivocal - every threat must be reported to the police as soon as possible."***

**Tarmo Paju, managing editor of Delfi Estonia**

Editorial offices perceive as a growing threat the rise in the number of complaints attempting to silence journalists, which are often filed against journalists, hinder the operational work of the editorial offices and affect the financial status of companies. Delfi Meedia also bears all costs in personal court proceedings. Given the rapidly growing role of Delfi Meedia in actively exposing the activities of the criminal regimes of Russia and Belarus, in addition to the threat of physical attacks, more attention must also be paid to cyber attacks, including doxing, which can endanger the sensitive data of both companies and journalists. The company's management is looking for solutions to mitigate the problem.

Benchmark	2022	2023	Target for 2025
<b>Employee health and safety</b>			
<i>Working days lost due to work accidents, work-related health disorder and other health disorders</i>			
a) number	a) 130	a) 0	
b) percentage	b) -	b) 0%	0
<i>Working days absent from work</i>			
a) number	a) 8627	a) 5234	
b) percentage	b) -	b) 1.88%	-
<i>Number of occupational accidents</i>			
a) number	a) 8*	a) 0	
b) percentage	b) -	b) 0%	0

Benchmark	2022	2023	Target for 2025
Number of work-related illnesses	0	6	0
Number of fatal occupational accidents	0	0	0
Number of attacks against journalists	2	2	0
<b>Work-life balance</b>			
Percentage of employees who took a leave for family reasons			
a) men	a) -	a) 10.32%	-
b) women	b) -	b) 10.07%	-
c) total	c) 11%	c) 20.38%	-
Percentage of employees on parental leave who			
a) returned to work M/F	a) 49%	a) 83.33%/33.33%	-
b) worked in the company after a year M/F	b) 71%	b) 83.33%/83.33%	-

\* Work accidents in different companies were related to falls, and in one case a dog attacked an Express Post employee who was delivering a paper.

## ENVIRONMENTAL IMPACT

### Resources efficiency and climate impact

Although the environmental impact of the media sector is rather small, climate and environmental impact management is inevitable for a sustainable and responsible company. We have mapped our important areas of influence in the environmental field during the creation of the ESG strategy, also taking into account our supply chain, because we can largely control our environmental impact through our supply chain. The process of strategy creation and identification of areas of influence is described in more detail on pages 42-44.

The environmental impact of Ekspress Grupp is primarily related to printing - our companies publish newspapers, magazines and books. But in the case of the online format, it is also important to monitor which energy sources are used in the operation of the infrastructure necessary to maintain production and online platforms, and what is the environmental impact of the energy consumption of the devices of digital media consumers. In the case of a paper newspaper or magazine, a positive contribution is made if the reader shares it with family members or colleagues and later recycles it as waste paper.

We have already largely stopped issuing invoices on paper, we have minimised the quantity of printed marketing materials, and our subsidiaries mostly use reusable props when organizing events.

ESG strategy		
<b>Commitment</b>	In our own activity	<ul style="list-style-type: none"> <li>➤ We consistently reduce the climate impact of both the organisation and services/products.</li> <li>➤ We improve the resource efficiency of our operations and products.</li> </ul>
	In supply chain	<ul style="list-style-type: none"> <li>➤ We require that our suppliers are aligned with our sustainability ambitions and values and follow industry-specific ESG practices.</li> <li>➤ We take into account the environmental impact when purchasing products and services, if it is relevant and possible.</li> </ul>
<b>Target</b>	In our own activity	➤ Ekspress Grupp's digital companies reduce the climate impact across value chains in accordance with the Paris Agreement by 2030 and achieve climate neutrality by 2050.
	In supply chain	➤ All our main suppliers observe ESG principles specific to our sector.
<b>Strategic activities</b>	In our own activity	<ul style="list-style-type: none"> <li>➤ We establish an environmental management and reporting system across the Group.</li> <li>➤ We improve resource efficiency and reduce the direct climate impact of all companies.</li> <li>➤ We consistently reduce the impact intensity of digital products.</li> <li>➤ We consistently reduce the environmental impact of printed publications.</li> </ul>
	In supply chain	<ul style="list-style-type: none"> <li>➤ We engage high-risk suppliers in meeting our sustainability commitments.</li> <li>➤ We prefer environmentally friendly products and services.</li> </ul>

The development of the Group-wide environmental management and reporting system is currently in the early stages. We expect it to be fully operational by the end of 2024, with a centralised data collection system and regular environmental performance reviews.

### Overview of 2023: climate change

Climate-related considerations are not taken into account in the remuneration of administrative, management and supervisory bodies of Ekspress Grupp or its subsidiaries. You can read more about the principles of remuneration of administrative, management and supervisory bodies in the Corporate Governance Report on pages 86-89.

In 2023, we initiated a preliminary assessment of climate risks across the Group. When the assessment is complete, we plan to take the risk assessment into account when developing a transition plan for mitigating climate change in line with the goals of the Paris Agreement and a general climate policy, which we want to introduce across the Group by the end of 2024. In doing so, we intend to constantly test and improve the initial frameworks of the transition plan and climate policy.

### Steps towards smarter energy consumption

Õhtuleht Kirjastus and Delfi Meedia have already started to take steps to reduce their climate impact by managing energy consumption, and in 2023 equipped the lights of office premises with motion sensors. Almost half of our subsidiaries already use motion sensors, either partially or completely. Also, Õhtuleht Kirjastus and Delfi Meedia media companies have started to more consciously manage the operation of their cooling, heating and ventilation equipment. In addition, remote work opportunities are actively used in all our subsidiaries.

In 2023, Lrytas in Lithuania moved into a new office building with the energy class A and is certified according to the most rigorous level, i.e. LEED Platinum. In addition to the energy efficiency of buildings, LEED certification takes into account the sustainability of the construction site, the efficiency of water use, the use of materials and resources, and the quality of the indoor environment. Delfi Latvia is preparing to move into an office building that has BREEAM certificate.

## Benchmarks for energy consumption and climate impact

As our subsidiaries are at different phases in implementing the ESG strategy, we did not fully assess the Group's energy consumption or climate impact in 2023. We included the impact of Ekspress Grupp's activities and the impact of the following subsidiaries in the presentation of energy consumption data and climate impact calculations: Delfi Meedia AS, Geenius Meedia OÜ, Linna Ekraanid OÜ, Biļešu Paradīze SIA, D Screens SIA, Delfi AS (Latvia), Delfi UAB and Lrytas UAB (4<sup>th</sup> quarter, from which the company has a separate office).

Energy consumption and distribution of energy sources	2023*
Total fossil energy consumption (MWh)	1 940.3
<b>Percentage of fossil sources in total energy consumption (%)</b>	<b>69.1</b>
Energy consumption based on nuclear sources (MWh)	195.2
<b>Percentage of nuclear energy in total energy consumption (%)</b>	<b>6.9</b>
Fuel consumption of renewable sources (including biomass) (MWh)	0
Consumption of purchased or acquired electricity, steam and cooling based on renewable sources (MWh)	603.8
Consumption of self-produced renewable energy used for purposes other than fuel (MWh)	0
Total renewable energy consumption (MWh)	603.8
<b>Percentage of renewable sources in total energy consumption (%)</b>	<b>21.5</b>
Total consumption of non-fossil non-renewable energy sources** (MWh)	70.1
<b>Percentage of consumption of non-fossil non-renewable energy sources in total consumption (%)</b>	<b>2.5</b>
Total energy consumption (MWh)	2 809.4

\* The energy consumption of the Group not covered entirely

\*\* Municipal waste and peat have been considered as non-fossil non-renewable energy sources

We evaluated the climate impact of group companies based on the principle of operational control in cooperation with external experts. The methodology is based on the internationally recognized Greenhouse Gas (GHG) Protocol standard. For Estonian companies, we also followed the guidelines of the Ministry of the Climate, for Latvian and Lithuanian companies, the Estonian-specific emission factors are replaced with corresponding emissions factors from the UK DEFRA conversion factor database.

GHG Protocol divides a company's greenhouse gas (GHG) emissions into three scopes:

- **Scope 1** includes direct greenhouse gas emissions from sources owned or controlled by the organization. This includes, for example, emissions from vehicle fuels.
- **Scope 2** includes indirect emissions resulting from outsourced energy.
- **Scope 3** includes other indirect emissions that occur as a result of activities directed upwards or downwards in the organisation's value chain. From the categories of the third scope are entirely covered capital goods, fuel and energy related activities, transportation and distribution, waste, business travel and employee commuting. In the category of purchased goods and services, the activities of outdoor advertising companies, office supplies of media companies and the impact related to paper publications of Estonian media companies are entirely covered. The impact of the parent company, Lrytas and Biļešu Paradīze is partially covered. In the case of Delfi Meedia and Geenius Meedia, which distribute paper publications, the impact of transport in the subsequent stages of the value chain and

the impact of handling the sold products at the end of their lifecycle have also been calculated – these categories are not relevant for other companies.

Benchmark	2023*
<b>GHG emission of Scope 1</b>	
Total GHG emission of Scope 1 (in CO2 equivalent tons)	138.8
<b>GHG emission of Scope 2</b>	
Location-specific measured total GHG emission of Scope 2 (in CO2 equivalent tons)	934.8
Market-specific measured total GHG emission of Scope 2 (in CO2 equivalent tons)	1 011.9
<b>Significant GHG emission in Scope 3</b>	
Indirect (Scope 3) total amount of total GHG emission (in CO2 equivalent tons)	4 008
1. Purchased goods and services**	2 059
2. Capital goods	323.4
3. Activities related to fuel and energy (which do not belong to Scopes 1 or 2)	164.8
4. Transport and distribution in the previous stages of the value chain	1.7
5. Waste generated in the course of operations	10.7
6. Business travel	281.8
7. Employees' commute to and from work	776.9
9. Transport in subsequent stages of the value chain	389.6
12. Handling of sold products at the end of their lifecycle	0
<b>Total GHG emission</b>	
Total GHG emission (location-specific) (in CO2 equivalent tons)	5 081.4
Total GHG emission (market-specific) (in CO2 equivalent tons)	5 158.5

\* The climate impact of the Group not covered entirely

\*\*Includes, among others, the impact of cloud computing and data center services

We take into account the results of the climate impact analysis in creating our climate policy and developing strategies, including in shaping of targeted measures to reduce the climate impact across the entire Group, and in the future we plan to assess energy consumption and climate impact across the Group.

## Overview of 2023: resources efficiency and circular economy

In 2023, we initiated a comprehensive assessment of the risks related to resourced efficiency and the circular economy, and we plan to complete the assessment in 2024. In addition, we plan to conduct smaller risk analyses every year. However, already in 2023, we have moved in small steps towards reducing our resource use in various fields of activity.

**"In 2023, our efforts towards sustainable development were characterized primarily by the trend to reduce the environmental impact of printed products. These are our first steps that lay the foundation for broader environmental initiatives, including digital sustainability."**

**Argo Rannamets, CFO and member of the Management Board of Ekspress Grupp**

### Print

Our print media companies constantly monitor the quantities of their print publications, the number of returns, and optimise circulations accordingly. Returned copies are sent to recycling. At the beginning of 2023, Õhtuleht Kirjastus decided to give up one delivery day a week due to the price increase of the delivery company, and Õhtuleht was published five days a week instead of the previous six. Geenius Meedia has also reduced the circulation of its paper editions, and from December 2023, Delfi Meedia will publish Tervis Pluss magazine only online.

**"Although the decision to give up one delivery day was made primarily for commercial reasons, its environmental impact is clearly positive."**

**Erik Heinsaar, CEO of Õhtuleht Kirjastus**

In April 2024, Eesti Päevaleht (EPL) will stop publishing a paper edition on business days and will continue as a digital publication within the Delfi portal. EPL's weekend edition LP which has longer and more in-depth articles will continue to be published on paper.

Benchmark	2023
Percentage of printed materials unsold in retail*	53.06%
... of which taken into reuse	100%

\* Average of print product companies (Delfi Meedia, Geenius Meedia, Õhtuleht).

## Waste

For several years, the vast majority of our subsidiaries have been collecting their waste separately in their office premises. Outdoor advertising company D Screens in Latvia has started using parts of old screens as spare parts for working equipment.

## Overview of 2023: supply chain

Significant part of our environmental impact comes from our value chain. To manage this impact, we must consciously choose our suppliers, service providers and conduct active discussions with our partners to influence them to make more sustainable and responsible choices.

In 2023, we started integrating sustainability criteria into our purchasing principles, focusing primarily on environmentally-friendly products and services. This is an important step and we intend to expand these criteria in the coming years. This assessment is part of our broader initiative to work with supply chain partners and encourage the adoption of sustainable practices. Our goal is to create a comprehensive understanding of suppliers' commitment to ESG standards and gradually increase the proportion of suppliers that comply with these principles. To reduce the environmental impact of the supply chain, we consider the following.

- 1. Environmentally-friendly printing service:** we use the printing service of two printing houses, Printall and Kroonpress. Both printing houses have an environmental policy in place, an ISO 14001 certificate and FSC® and PEFC™ certificates for the use of paper from sustainably managed forests, as well as the Nordic swan label and European Union ecolabel licenses.
- 2. Choice of paper:** our printing service partner Printall uses paper produced from paper waste, which is not suitable to be used for producing construction wood, but instead of being used as fuel, it allows to create more added value through the use of paper products.
- 3. Waste:** according to the printing service provider, about 20% of the paper in production is inevitably used for cutting and setting, and savings can be found for the remaining 80%. 98% of all waste is reused. Afterburners for drying residues from printing machines help to reduce air pollution.

In addition to the efforts of print publications, the Latvian outdoor advertising company D Screens uses energy use per square meter as one of the criteria when choosing suppliers and monitors CO2 emission certificates. In Estonia, Linna Ekraanid has also mainly monitored the energy efficiency of products offered by suppliers and increasingly also the footprint created by production.

Benchmark	2022	2023	Target for 2025
Percentage of main suppliers who follow the same commercial behaviour practices as Ekspress Grupp	-*	-*	-
Percentage of key suppliers that adhere to ESG principles	-*	-*	100%
Percentage of paper with sustainable origin, recycled paper and/or certified paper in Delfi Meedia/Geenius Meedia/Õhtuleht Kirjastus	12%/-	72.2%/38.4%/26.8%	-

\* In 2022 and 2023, Ekspress Grupp did not yet have criteria for evaluating suppliers across the Group, which is why these indicators are not yet reported.

## Reporting according to the EU taxonomy regulation

In order to meet the objectives of the European Green Deal, the European Commission adopted in 2020 a classification system for sustainable economic activities ("Taxonomy Regulation") with the aim of encouraging private sector investment in sustainable economic activities. The Taxonomy Regulation sets out specific requirements and technical screening criteria for economic activities that would contribute to EU's environmental objectives.

The delegated act on the climate objectives of the Taxonomy Regulation ("Taxonomy Climate Delegated Act") was adopted in 2021, setting out technical screening criteria for the activities of nine economic sectors. These criteria focused on the economic activities and sectors that have the greatest potential to contribute to the EU's climate goals. The basis for the criteria was the total greenhouse gas emissions of the economic activities or the potential to support the prevention, sequestration or long-term storage of greenhouse gases. In 2023, the Taxonomy Regulation was supplemented by the adoption of the Environmental Delegated Act (environmental act). The environmental act focuses on the remaining four environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Ekspress Grupp's activities are covered in the activities outlined in the climate act, but not in the list of activities covered by the environmental act. Therefore, the reporting of Ekspress Grupp's according to the EUR taxonomy regulation is based on the climate act.

As a large listed company, Ekspress Grupp is obliged to assess the group's contribution to climate change mitigation and climate change adaptation using three performance indicators according to the taxonomy regulation:

- proportion of turnover from products or services associated with taxonomy-aligned economic activities,
- proportion of capital expenditures (CapEx) from products or services associated with taxonomy-aligned economic activities,
- proportion of operational expenditures (OpEx) from products or services associated with taxonomy-aligned economic activities.

### Taxonomy-related activities of AS Ekspress Grupp\*

#### Proportion of turnover from products or services associated with Taxonomy-aligned economic activities in 2023

Economic activities	2023			Substantial contribution criteria						Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, 2022
	Code	Turnover th' EUR	Proportion of turnover %	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>										
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)*</b>										
<b>A.1. Environmentally sustainable activities (taxonomy-aligned) total</b>	-	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which enabling		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which transitional		0	0.00%	0.00%						0.00%
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>										
6.6. Freight transport services by road	CCM/CCA 6.6	523	0.71%	EL	EL	N/EL	N/EL	N/EL	N/EL	1.87%
13.1. Creative, arts and entertainment activities	CCA 13.1	973	1.33%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	0.91%
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) total</b>		<b>1 496</b>	<b>2.05%</b>	<b>0.71%</b>	<b>1.33%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.78%</b>
<b>TOTAL (A.1 + A.2)</b>		<b>1 496</b>	<b>2.05%</b>	<b>0.71%</b>	<b>1.33%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.78%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>										
<b>Taxonomy-non-eligible activities (B)</b>		71 591	97.95%							
<b>TOTAL (A + B)</b>		<b>73 086</b>	<b>100.00%</b>							

\* The Group does not have turnover, CapEx and OpEx from products or services associated with taxonomy-aligned economic activities (see subsection "Assessment of compliance with the Taxonomy Regulation").

## Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities in 2023

Economic activities	2023			Substantial contribution criteria						Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) CapEx, 2022
	Code	CapEx th' EUR	Proportion of CapEx %	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>										
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)*</b>										
<b>A.1. Environmentally sustainable activities (taxonomy-aligned) total</b>	-	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Of which enabling		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which transitional		0	0.00%	0.00%						0.00%
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>										
6.6. Freight transport services by road	CCM/CCA 6.6	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL	0.00%
13.1. Creative, arts and entertainment activities	CCA 13.1	0	0.00%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	0.00%
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) total</b>		<b>0</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A.1 + A.2)</b>		<b>0</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>										
<b>Taxonomy-non-eligible activities (B)</b>		<b>7 937</b>	<b>100.00%</b>							
<b>TOTAL (A + B)</b>		<b>7 937</b>	<b>100.00%</b>							

\* The Group does not have turnover, CapEx and OpEx from products or services associated with taxonomy-aligned economic activities (see subsection "Assessment of compliance with the Taxonomy Regulation").

## Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities in 2023

Economic activities	2023			Substantial contribution criteria						Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OpEx, 2022
	Code	OpEx th' EUR	Proportion of OpEx %	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>										
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)*</b>										
<b>A.1. Environmentally sustainable activities (taxonomy-aligned) total</b>	-	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which enabling		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Of which transitional		0	0.00%	0.00%						0.00%
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>										
6.6. Freight transport services by road	CCM/CCA 6.6	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL	0.00%
13.1. Creative, arts and entertainment activities	CCA 13.1	0	0.00%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	0.00%
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) total</b>		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>TOTAL (A.1 + A.2)</b>		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>										
<b>Taxonomy-non-eligible activities (B)</b>		0	0.00%							
<b>TOTAL (A + B)</b>		0	0.00%							

\* The Group does not have turnover, CapEx and OpEx from products or services associated with taxonomy-aligned economic activities (see subsection "Assessment of compliance with the Taxonomy Regulation").

## Accounting policy

### Performance indicator related to turnover

Denominator includes sales revenue generated in the course of the Group's business activities and recorded in accordance with the International Accounting Standard IAS 1 (section 82 point a). The main activity of the Group is the production of online media content and publishing of newspapers, magazines and books. The Group also manages an electronic ticket sales platform and ticket sales points and offers outdoor advertising service in Estonia and Latvia. The importance of organisation of entertainment events and thematic conferences in the Group's business activities is also growing. The main activities of the Group are supported by information technology development, audio-visual production solutions, rental of advertising space and home delivery of paper publications. The numerator includes the Group's sales revenues which correspond to the descriptions of the activities outlined in the Taxonomy Climate Act.

In order to avoid double accounting of key performance indicators associated with sales revenue, each category of sales revenue was looked at separately. In addition, cross-group transactions were mapped.

### Performance indicator related to CapEx

Denominator includes the Group's investments in 2023. In the reporting year, the Group invested in property, plant and equipment and intangible assets and recognised new lease agreements according to IFRS 16. The Group has no capital

expenditures: a) that are related to the activities generating sales revenue, which correspond to the taxonomy-eligible activities; b) that are the part of a plan to expand Taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned; c) that are related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. Therefore, the Group has no capital expenditure related to the taxonomy-eligible activities to include in the numerator, and the Group reports all capital expenditures as taxonomy-non-eligible activities.

#### Performance indicator related to OpEx

According to the Taxonomy Regulation, the denominator of operating expenditures must include direct non-capitalised costs associated with research and development, building renovation measures, short-term rent, maintenance and repair, and all other direct costs related to the daily servicing of the property, plant and equipment by the company or by a third party to whom the operation has been transferred, and which are necessary to ensure the continued and efficient operation of such asset.

The Group has no operating expenditures that are within the meaning of the Taxonomy Regulation, which are associated to activities related to sales revenue that correspond to the taxonomy-eligible activity. Therefore, the Group has no operating expenditures within the meaning of the Taxonomy Regulation.

## Assessment of compliance with the Taxonomy Regulation

For the calculation of performance indicators, as a first step Ekspress Grupp assessed which activities of the Group are taxonomy-eligible activities. The Group used NACE codes of the activities listed in the climate act and the descriptions of the activities.

According to the Taxonomy Regulation, activities that contribute to climate goals are divided into three: low-emission activities, supporting activities, and transitional activities. According to the explanations of the climate act, we considered only activities supporting the adaptation goal to be considered for the purpose of adapting to the climate impact.

Among the activities related to the Group's sales revenue, two economic activities are taxonomy-eligible activities:

- Home delivery of periodicals until July 2023, which corresponds to the activity outlined in the climate act 6.6. Freight transport services by road (NACE H53.1.0) and which can be either a low-emission activity or a transition activity according to the Climate Act.
- Organisation of events that corresponds to the activity outlined in the climate act 13.1 Creative, arts and entertainment activities (NACE R90), which is an activity supporting adaptation to climate change according to the Climate Act.

Of the taxonomy-eligible activities, Ekspress Grupp is also engaged in intra-group data processing and web hosting, which corresponds to the activity outlined in the climate act 8.1. Data processing, hosting and related activities (NACE J63.11), but does not provide services to external customers. Therefore, Ekspress Grupp has no turnover within the meaning of the Taxonomy Regulation and the Group excluded this activity from the taxonomy-eligible activities.

In order to assess the taxonomy-aligned activities according to the Taxonomy Regulation, it is necessary to assess whether the activities can be considered environmentally sustainable, i.e. whether the activities meet the following requirements:

- The activity significantly contributes to the achievement of one or more environmental goals;
- The activity does not cause significant damage to any other environmental objective
- The activity operates with minimal safeguards
- The activity meets the technical screening criteria

### Technical screening criteria

The Climate Act of the Taxonomy Regulation adopted technical screening criteria which

- establish the requirements on the basis of which economic activity is classified as significantly contributing to a climate goal, and
- ensure that economic activity does not cause significant harm to any other environmental objectives

### Home delivery of periodicals until July 2023

Home delivery service is provided with N1 category vehicles. As the cars used for home delivery are not electric, the activity does not meet the technical screening criterion of the Climate Act, according to which direct (tailpipe) CO<sub>2</sub> emissions of N1 vehicles must be equal to zero.

The activity can be considered a transitional activity if the activity meets other technical screening criteria, including the requirements for avoiding significant harm.

In the case of the home delivery of periodicals, not all criteria regarding significant harm are met. The assessment of physical climate risks, which is a technical screening criterion for avoiding significant harm related to the climate change adaptation goal, has not been carried out. Therefore, in the Group's opinion, the activity cannot be considered a taxonomy-aligned activity.

### Event management

Sales revenue related to an activity contributing to the achievement of the climate change adaptation objective can be considered a taxonomy-aligned activity if the activity is classified as a supporting activity. The organisation of events can be considered an activity supporting adaptation to climate change if the activity meets the following technical screening criteria:

"On the basis of data on current and future climate risks, including uncertainty assessment and reliable data, the company demonstrates that the activity ensures the achievement or promotion of the use of a technology, product, service, information or practice that has one of the following main objectives:

- (a) increase the resilience of other people, nature, cultural heritage, assets and other economic activities to physical climate risks;
- (b) contribute to adaptation efforts that take into account other people, nature, cultural heritage, assets and other economic activities."

Ekspress Grupp estimates that the corresponding technical screening criterion has not been met since the events organised in 2023 did not focus directly on the topic of climate change adaptation. Technical screening criteria for avoiding significant harm have not been established for the activity.

## **Minimum safeguards**

Ekspress Grupp evaluated minimum safeguards criteria of the Taxonomy Regulation on the basis of Article 18 of the Taxonomy Regulation and the report *Final Report on Minimum Safeguards* of the Platform on Sustainable Finance, European Commission advisory expert group. According to the guidelines of the expert group, the company must have minimum protective measures in four areas:

- Human rights, including workers' rights
- Avoiding corruption and bribery
- Honest tax behaviour
- Fair competition

Minimum safeguards mean compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. With its ESG strategy, Ekspress Grupp confirms that the Group follows the abovementioned guidelines and principles in all of its activities. The respective business ethics principles have also been laid down in the code of conduct of Ekspress Grupp. The purpose of implementing the ESG strategy is, inter alia, to launch implementation of the due diligence process.

## **Contextual information**

### Sales revenues:

- Activity 6.6. Freight transport services by road (NACE H53.1.0) – the Group provides the service of home delivery of periodicals to a joint venture until July 2023. The quantitative distribution of the numerator is shown in the table "Taxonomy-related activities of AS Ekspress Grupp" on pages 70-72.

- Activity 13.1 Creative, arts and entertainment activities (NACE R90) – the Group organises entertainment events. The numerator includes income from ticket sales and other income related to entertainment activities, except for income from advertising sales. Income from organisation of conferences and seminars is also excluded from this activity. The quantitative distribution of the numerator is shown in the table "Taxonomy-related activities of AS Ekspres Grupp" on pages 70-72.

Capital and operating costs – the Group has no costs that are included in the numerator.

## HONEST AND RESPONSIBLE MANAGEMENT

Ethical business practices have always been an integral part of Ekspres Grupp's business operations. Our goal is to maintain a transparent business environment and to carry out our activities responsibly and ethically – this is the basis of the trust of the parties related to the Group and the general public. We mapped our important areas of influence in the field of management during the creation of the ESG strategy. The process of strategy creation and identification of the areas of influence is described in more detail on pages 42-44.

Ekspres Grupp has a zero tolerance policy for any kind of corruption. Therefore, our employees will not give, demand, receive or accept gifts, payments, services or other benefits from a current or potential business partner if the gift, payment, service or other benefit can reasonably be expected to influence the decision and goes beyond the limits of normal hospitality. We also do not tolerate illegal payments, bribes or favours aimed at speeding up decision-making in public authorities.

Every employee must apply our principles of business ethics and guidelines for business communication inside and outside the company as laid down in our Code of Conduct. It applies to all employees of AS Ekspres Grupp and its subsidiaries, joint ventures and affiliates, regardless of their position in the organisation and the nature of their employment. The Code of Conduct is a guide for every employee's daily business interactions inside and outside the company, and reflects our accepted standard of behaviour. The Code of Conduct does not replace the journalism code of ethics, but complements it.

You can read more about our Code of Conduct in the Corporate Governance Report, pp. 79-92.

ESG strategy	
<b>Commitment</b>	➤ Group companies must be managed honestly, in a law-abiding matter and ethically.
<b>Target for 2025</b>	➤ Zero cases of corruption or violation of business ethics related to group companies or employees.
<b>Strategic activities</b>	➤ We implement Ekspres Grupp's Code of Conduct in all Group companies and we ensure the transparency and integrity of the company's management structure.

The role of our administrative, management and supervisory bodies in relation to business conduct and their expertise in matters of business conduct is described in the Corporate Governance Report on pages 82-85.

## Overview of 2023: prevention of corruption and bribery

In 2023, we continued to promote an open and transparent management culture. We maintain employee awareness through regular meetings, newsletters, and business ethics training that all new employees must complete. Going forward, we intend to reinforce these practices with more interactive training and enhanced supervision.

Corruption and bribery cases are dealt with by a committee created on a case-by-case basis, the members of which are not related to the investigated case or the persons involved in it. We follow the principles of the UN Convention against Corruption. In 2023, there were no cases of corruption at Ekspres Grupp. We dealt with minor violations of business ethics by reinforcing training of business ethics, and in one case issued a warning to an employee of Delfi Meedia. We remain vigilant and committed to maintaining the highest standards in our business conduct.

Benchmark	2022	2023	Target for 2025
<i>Proportion of employees who work in positions with the highest risk of corruption and/or bribery and who are trained in this area</i>	-	-	-
<i>Number of confirmed corruption cases involving companies belonging to the Group or their employees</i>	0	0	0
<i>... of which cases when the employee was fired or sanctioned</i>	0	0	0
<i>... of which cases where a contract concluded with a business partner was terminated or was not extended</i>	0	0	0
<i>Number of violations of competition rules involving Group companies</i>	0	1***	0
<i>Number of sanctions or fines related to violations of laws or other regulations</i>	3*	33**	0
<i>Amount of sanctions or fines related to violations of laws or other regulations, EUR</i>	11 706	144 100	0

\* Delfi Latvia was fined EUR 220 for copyright infringement of a photo and EUR 1 468 in connection with the labour dispute. D Screens SIA was fined EUR 10 000 for not signing the contract after winning the auction.

\*\* Of these, 19 were related to D Screens. The Riga City Government imposed fines in the total amount of EUR 2 986 for several cases where there were inaccuracies in advertising or the location of the advertising object had not been approved, in addition a smaller fine for failure to pay electricity bills on time from the electricity service provider and a fine from the Tax Board for incorrect calculation of income tax. Delfi Meedia paid 12 compensations in the total amount of EUR 2 080 to Copytrack for use of images without copyright. The remaining amount of EUR 140 460 is the fine imposed by the Lithuanian Competition Authority on Ekspress Grupp in connection with the acquisition of Lrytas. AS Ekspress Grupp has contested the decision in court.

\*\*\* The Lithuanian Competition Council imposed a fine on AS Ekspress Grupp for violating competition rules when purchasing Lithuanian news portal Lrytas. AS Ekspress Grupp has contested the decision in court.

## Overview of 2023: political influence and lobbying

In 2023, the companies of Ekspress Grupp and the key persons of the Group did not support the activities of any political party, nor did they themselves receive any other hidden funding from political parties or government agencies, apart from advertising space purchased on market terms and project-based grants publicly available to all applicants.

Benchmark	2022	2023
The total amount of expenses related to lobbying or advocacy, EUR	10 900	17 000
Membership fees of professional or advocacy organizations, EUR	32 601*	116 557

\* In the 2022 report, the amount of membership fees of professional or advocacy organisations was mistakenly reported as EUR 9 595 which took into account only the fees of AS Delfi Meedia. The consolidated amount was EUR 32 601.

## Overview of 2023: relations with suppliers and payment practices

Since our relations with suppliers are closely linked to the fulfilment of our environmental goals, we describe the related strategy in the environmental chapter of the ESG report on page 66.

Benchmark	2022	2023
Payments in compliance with standard terms and conditions, % (average for companies)	-	93.46%
Pending court proceedings related to late payments	-	4

## Overview of 2023: notification of violations

Incidents that are in conflict with the principles of business ethics or other values of Ekspress Grupp can be reported through the group-wide anonymous notification channel. To ensure confidentiality, the notification channel is managed by an external partner (WhistleB). Notifications are sent over an encrypted connection and are password-protected. All reports of misconduct are treated in the strictest confidence. In 2023, six notifications were submitted there, but as none of them were relevant, they did not require further investigation.

# CORPORATE GOVERNANCE REPORT

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## CORPORATE GOVERNANCE AND STRUCTURE

### **Code of Ethics provides a solid foundation for the work of media houses**

In their activities, media companies of the Group follow the Code of Ethics prepared by national associations of media channels, in addition the media houses in Estonia, Latvia and Lithuania implement company-specific codes of ethics and codes of conduct.

The work of journalists and media-related work of media companies, their freedoms, rights and obligations as well as guarantees are regulated also by laws that cover data protection, public information and other relevant issues. In unregulated situations, companies proceed from public interest and the principle of integrity when making decisions.

### **Group-wide Code of Conduct**

The Management Board of Ekspress Grupp has approved the Code of Conduct which applies to all employees of Ekspress Grupp and its subsidiaries, joint ventures and associates regardless of their position in the organisation and the nature of their employment. The Code of Conduct serves as a guide for each individual employee's daily internal and external business interactions, reflecting our standard for proper behaviour. The Code of Conduct contains principles concerning employees, cooperation partners, customers, compliance with laws and society at large.

The Code of Conduct does not replace Code of Ethics for Journalists but complements it.

In order to ensure consistent behaviour, the group companies introduce to new employees business philosophy, the Code of Conduct, journalistic ethics, protection of sources, sales and marketing issues, personnel policies and other background information related to the management of the Company that is necessary for daily work.

### **Reporting suspected misconduct**

The Group has created and made publicly available on its website a secure and confidential whistleblowing channel through which it is possible to provide information or report misconduct in connection with any violations of the Code of Conduct of Ekspress Grupp, the Group's other operating policies, procedures or legislation. To ensure confidentiality, the whistleblowing channel is managed by an external partner (WhistleB). The reports are submitted via encrypted connections and they are password-protected. All reports of misconduct are handled in the strictest confidence.

In 2023, Ekspress Grupp received 6 reports through the whistleblowing channel, all of which came from Latvia (2022: 13 reports). In no case was an investigation started, because it was not a violation of Ekspress Grupp's code of conduct, operating principles, or rules stipulated in legislation.

### **Open management creates reliability**

Communication in an organisation is based on consensual, honest and caring conduct. In a crisis, management's open communication with employees is even more crucial. Key decisions are communicated to all employees, management shares the background and explanations for making decisions, employee responsiveness is monitored at the middle management level.

At the Group level, regular exchange of information takes place between the Management Board of the parent company of Ekspress Grupp and the senior management teams of subsidiaries to ensure transparency in case of major transactions, changes and decisions.

### **Law-abiding and independent management**

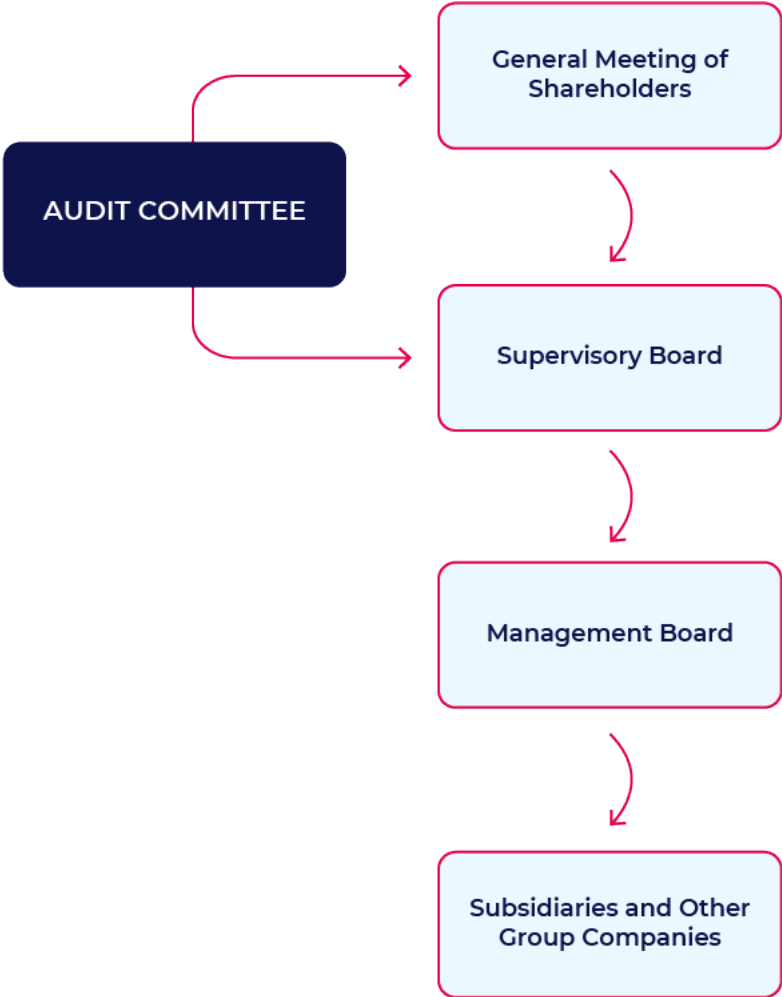
In 2023, neither Ekspress Grupp's companies nor any of the Group's key employees supported any political parties nor received hidden funds from political parties or government agencies other than advertising space purchased at market conditions, project-based funding distributed through government crisis measures or publicly available for all those applying for it.

**Policy on diversity**

AS Ekspress Grupp believes that diversity enriches the business. AS Ekspress Grupp shall offer equal opportunities and equal rights to all, irrespective of gender, national or ethnic origin, age, sexual orientation, gender identity or expression or religious conviction. General principles of diversity also apply to electing members of management bodies.

As a result of the Group’s Management and Supervisory Board member selection, the membership of the Supervisory and Management Board shall be sufficiently diversified for the management of the Group, enabling more extensive integration of different experience and knowledge into the work of the management bodies. When establishing the Group’s Management and Supervisory Board, AS Ekspress Grupp shall ensure in addition to knowledge and experience diversity based on the age, gender, geographical origin, education and work experience.

**Corporate Governance structure**



The Group's management structure is the same as its legal structure.

## 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 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 Finants) 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.

## 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 the Company approves the activities of the company, organises its management and supervises the activities of the Management Board. The Supervisory Board plans the activities of the Group, organises the management of the company and supervises the activities of the Management Board. The Supervisory Board notifies the general meeting of shareholders of the results of a review. The Chairman of the Supervisory Board organises the work of the Supervisory Board. The main duties of the Supervisory Board are to approve the Group's key strategic and tactical decisions and to supervise the activities of the Group's Management Board. The Supervisory Board's actions are guided by the company's articles of association, guidelines of the general meeting and law. The meetings of the Supervisory Board generally take place once a quarter, in other cases, meetings shall be held according to the needs of the Group and decisions can also be made by e-mail.

According to the articles of association, the number of members of the Supervisory Board is between three and seven. The number of the members shall be determined by the General Meeting. The Supervisory Board of Ekspress Grupp has four members.

In 2023, the Supervisory Board adopted thirteen decisions without convening a meeting (either as a written decision or by voting by e-mail). On six occasions, the Supervisory Board convened for discussions and decision-making in a physical meeting. All members of the Supervisory Board attended all meetings.



**Priit Rohumaa**

**(appointed until 16.06.2025)**

- Chairman of the Supervisory Board and member of the Audit Committee, in the Supervisory Board since 17.06.2020
- Supervisory Board member of Tallinna Vesi AS and Admirals Group AS.
- Management Board member of several companies and funds.
- 1998 Tallinn Technical University, Power Engineering, Master degree and 2004 Estonian Business School, MBA.
- Number of shares of AS Ekspress Grupp: 0



**Hans H. Luik**

**(appointed until 20.05.2024)**

- Founder and major owner of Ekspress Grupp, member of the Supervisory Board and Audit Committee, in the Supervisory Board since 01.06.2004.
- Supervisory Board member of Aktiva Finance Group OÜ, AS Printall and SA Oivaline Ajakirjandus.
- Active on the Management Boards in several companies.
- Graduated from the University of Tartu in 1984 with a degree in journalism.
- Number of shares of AS Ekspress Grupp: 22 552 672 (73.23%).



**Triin Hertmann**

**(appointed until 02.05.2027) – independent  
Supervisory Board member**

- Member of the Supervisory Board since 02.05.2022.
- Grünfin AS, co-founder and member of the management board.
- Angel and fund investor in various companies.
- Obtained a master's degree in organizational behavior at Tallinn University in 2013.
- Graduated with Cum Laude from Tallinn University of Technology in 2003 – financial management and international business administration.
- Number of shares of AS Ekspress Grupp: 0



**Sami Seppänen**

**(appointed until 31.08.2027) – independent  
Supervisory Board member**

- Member of the Supervisory Board since 31.08.2022.
- Supervisory Board member of AS Eesti Golfikeskus.
- Long term CEO of Elisa Eesti AS (1999–2021).
- Obtained a master's degree in Industrial Technology and Management from LUT University.
- Number of shares of AS Ekspress Grupp: 0

## **Supervisory board and committee's remuneration**

Based on the decision of the annual general meeting of shareholders held on 2 May 2022, Priit Rohumaa (Chairman of supervisory board) is entitled to a monthly remuneration of EUR 3 000 (in 2023 annual remuneration of EUR 36 000; in 2022 EUR 28 000) and Triin Hertmann (Member of supervisory board) is entitled to a monthly remuneration of EUR 1 350 (in 2023 annual remuneration of EUR 16 200; in 2022 annual remuneration of EUR 10 800). Based on the decision of the annual general meeting of shareholders held on 31 August 2022, Sami Jussi Petteri Seppänen (Member of supervisory board) is entitled to a monthly remuneration of EUR 1 350 (in 2023 annual remuneration of EUR 16 200; in 2022 annual remuneration of EUR 5 400). Hans H. Luik (Members of the Supervisory Board) do not receive any remuneration. No other fees are paid to Priit Rohumaa and Hans H. Luik for the participation in the work of Audit Committee.

## MANAGEMENT BOARD

The authorities of the Management Board of the Company are specified in the Commercial Code and they are limited to the extent determined in the articles of association of the company. The Management Board has to act in the most economically purposeful manner, taking into consideration the best interests of all shareholders and ensures the company's sustainable development in accordance with set objectives and strategy. To ensure that the company's interests are met in the best way possible, the Management and Supervisory Boards shall extensively collaborate.

The members of the Management Board are elected for a period of up to five years. In order to elect and remove the members of the Management Board, a simple majority of the votes of the Supervisory Board is required. In order to resign from the position of a member of the Management Board, the member shall give three month's notice to the Supervisory Board. There are no agreements between Ekspress Grupp and the members of the Management Board which would deal with the benefits regarding a takeover of a public limited company provided for in Chapter 19 of the Securities Market Act. According to the articles of association, the Management Board of Ekspress Grupp has between one and five members. The Management Board of Ekspress Grupp has three members.

### Mari-Liis Rüütsalu (appointed until 31.12.2025)



- Chairman of the Management Board and Chief Executive Officer of the Group since 01.01.2017.
- Managing director of AS Ekspress Meedia 2015-2016
- Managing director of AS Delfi 2012-2015
- Marketing and development director of AS Estravel 1998-2012
- Graduated from Eesti Majandusjuhtide Instituut in 1998 specializing in business administration and University of Tartu Pärnu College in 1995 specializing in entrepreneurship and business management
- Number of shares of AS Ekspress Grupp: 36 924

### Karl Anton (appointed until 05.06.2026)



- Member of the Management Board since 05.06.2023, Chief Innovation Officer of the Group
- 2014–2023 Telia Eesti AS, Head of TV & Entertainment
- 2011–2014 Bondora, Chief Marketing Officer
- 2007–2012 Parex/Citadele, Head of Development
- Graduated from Estonian Business School in 2008 specializing in Marketing & Public Relations; diploma from KTH Royal Institute of Technology, Stockholm (2018) and from Rehumanize Institute, Copenhagen (2022)
- Number of shares of AS Ekspress Grupp: 0

### Argo Rannamets (appointed until 31.10.2026)



- Member of the Management Board since 01.11.2023, Chief Financial Officer
- 2021–2023 KWOTA OÜ, Co-founder
- 2017–2021 and 2009–2013 Ragn-Sells AS, Member of the Management Board / CFO
- 2013–2018 Ragn-Sells Group, CFO Eastern Europe, Head of Core Business Processes in Sweden, Head of Group Function Quality
- 2006–2009 Infovara OÜ, CEO
- Graduated from TalTech in 2008 specializing in finance and managerial accounting, M.Sc
- Number of shares of AS Ekspress Grupp: 0

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.

## SUPERVISORY AND MANAGEMENT BOARDS OF SUBSIDIARIES

The authorities and responsibility of the subsidiaries of AS Ekspress Grupp are laid down in their articles of association and intra-group rules. The changes to the articles of association are made in accordance with the requirements laid down in the Commercial Code. The supervisory boards are generally made up of the members of the management and supervisory boards of a company that is the majority shareholder of the subsidiary.

The meetings of the supervisory boards of the key subsidiaries normally take place once a quarter, in other cases based on the Group's needs, articles of association and legal acts. The members of the supervisory boards of subsidiaries do not normally receive separate remuneration.

The chairman or a member of the Management Board is appointed by the supervisory board of the subsidiary. Below are the supervisory boards and management boards of the most significant subsidiaries that are wholly-owned by AS Ekspress Grupp as at 31 December 2023:

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	Konstantins 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.

### 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. The above-mentioned changes do not apply as of the balance sheet date due to the resignation of AS Ekspress Grupp's board member Signe Kukin on August 31, 2023.

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.

## AUDIT COMMITTEE

The Audit Committee is an advisory body to the Supervisory Board in respect of accounting, auditing, risk management, internal control, supervision and budget preparation and in the area of legality of the activities of the Supervisory Board. The members of the Audit Committee are Hans Luik (since 2017) and Priit Rohumaa (since 19.06.2020). Members of the auditing committee are not separately remunerated.

## NOMINATION AND REMUNERATION COMMITTEE

The Supervisory Board discussed the formation of a nomination and remuneration committee, but taking into account the small size of the company and the Supervisory Board and the administrative burden inevitably associated with a more complex structure, the establishment of a separate committee was abandoned. The responsibilities of the nomination and remuneration committee (appointment and remuneration issues, self-evaluation of board members and development of good corporate governance in Ekspress Grupp) are performed by the Supervisory Board. The Supervisory Board also supports the implementation of environmental, social and governance (ESG) principles.

## REMUNERATION POLICY

The remuneration policy describes the main principles of Ekspress Grupp's remuneration of the Supervisory Board, committees and the Management Board, as well as the decision-making process complied with when approving, assessing, and implementing the remuneration policy. The remuneration policy is valid for up to four years. The remuneration policy will comply with the recommendations of the Estonian Securities Market Act (§ 135<sup>2</sup>), Corporate Governance Recommendations (clause 2.2.7) and the provisions of the Shareholders' Rights Directive (EU 2017/828; Art 9b). The remuneration policy is based

on the long-term goals of the Group and takes into account the financial results and the legitimate interests of investors and creditors. Compliance with the remuneration policy is monitored by the Supervisory Board.

The Remuneration Policy for the Executive Management of AS Ekspress Grupp was approved at the regular General Meeting of Shareholders of AS Ekspress Grupp was held on 2 May 2022.

## General principles

The mission of Ekspress Grupp is to serve democracy. In accordance with our strategy, Ekspress Grupp builds sustainable growth by being part of the opportunities presented by the digital transformation. The objective of the Group is to increase shareholder value through revenue growth and improved profitability. Ekspress Grupp is developing and expanding its media business and seeking growth opportunities in new digital media or media-related businesses. The Group's remuneration policy is aimed at promoting the long-term financial success, competitiveness, and creating shareholder value.

The Group aims at using reasonable, well-balanced and competitive remuneration packages to attract and retain talented employees who are the key to our business.

## Ekspress Grupp's remuneration

Shareholder value creation through revenue growth and improved profitability

Motivates employees and supports retention and recruitment of top talent

Promotes strategy execution and management through key results

Is responsibly managed, flexible and in line with our long-term financial goals

The remuneration of employees across the company is reviewed regularly to secure its competitiveness in the context of market and to attract and retain talent. To avoid conflicts of interest, remuneration is managed through well-defined processes, ensuring that no person is involved in the decision-making process regarding his or her own remuneration.

The remuneration policy is submitted to the AGM for adoption at least once every four years, as well as when significant changes are made to the remuneration system.

## Remuneration of the Supervisory Board and Committee Members

### Decision-making process

The remuneration of Supervisory Board is approved by the shareholders at the AGM. The members of the Supervisory Board or Management Board are not employed by the company.

### Remuneration

The Chairman of the Supervisory Board receives remuneration. The other members of the Supervisory Board do not receive any remuneration unless the AGM decides otherwise. No other fees are paid to the Supervisory Board members or Chairman for the participation in the work of the committees.

## Remuneration of the Management Board members

### Decision-making process

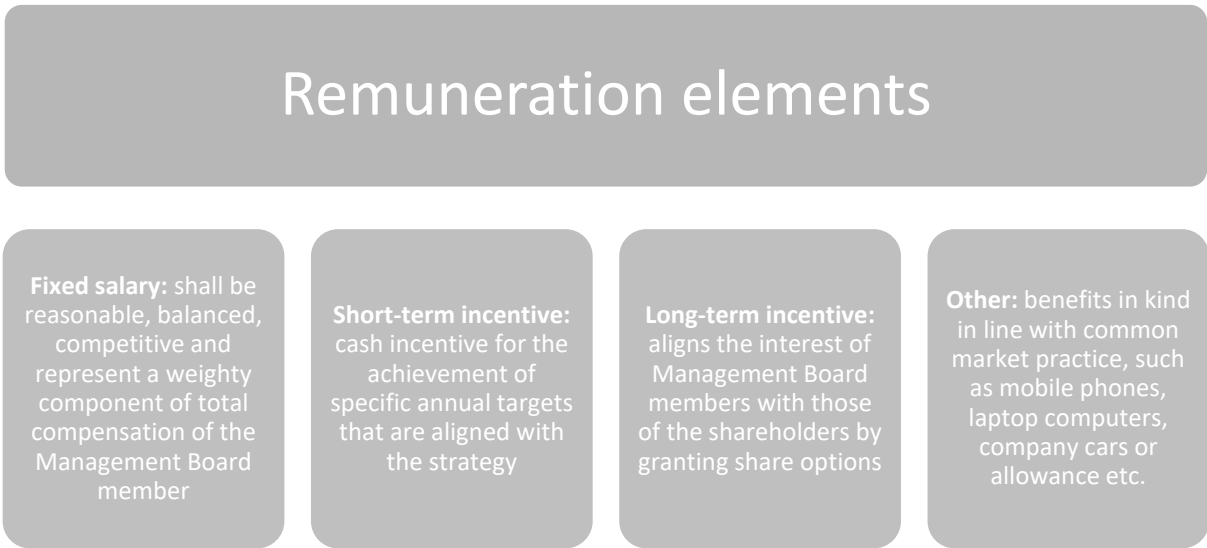
The Supervisory Board is responsible for preparing the remuneration policy for the Management Board. To ensure that these principles are used for the intended purpose, the Supervisory Board prepares and proposes amendments to the remuneration policy. The Supervisory Board decides on the remuneration of the Management Board members and other terms and conditions of the Management Board members' contracts of employment.

The Supervisory Board may temporarily deviate from the remuneration policy in case of significant changes in the Group's structure and business operations or changes in the legislation regulating remuneration, as well as in any other case where the deviation is significant for ensuring the Group's long-term interests and continuance as a going concern.

### Remuneration elements

The remuneration of the Management Board is comprised of the following elements:

- a fixed salary;
- a short-term incentive paid annually in cash;
- a long-term incentive in the form of shares;
- other benefits.



Fixed salary must be reasonable, balanced, competitive and represent a weighty component of total compensation paid to the Management Board member. The Supervisory Board may revise and change the amount of fixed salary during the term of the contract. Changes in salary are determined based on business results, changes in the Management Board member's liability, individual contribution, the general market level and the comparative data of the respective position in the market.

A short-term incentive package consists of up to 6 months basic remuneration plus project-based one-off incentive payments approved by the Supervisory Board. Performance measures and targets for short-term incentives are set by the Supervisory Board on an annual basis. Annual targets are in line with the Group's strategic objectives and may include, among others, profitability, sales revenue, cash flow or performance indicators, etc. The goals and their share may vary from year to year, reflecting the Group's priorities. After the end of each year, the Supervisory Board reviews the fulfilment of the goals by the Group's Management Board and determines the extent to which each goal has been achieved in order to determine the final amount of a bonus payment. The annual bonus is paid out at the beginning of next year on the basis of audited annual results. The Group has the right to reduce the bonus payable to a member of the Management Board depending on the financial results or transactions, to suspend the bonus payment or to demand partial or full refund of the bonus already paid out if:

- general financial results of the Group have significantly deteriorated compared to the previous period;
- the Management Board member does not meet the performance criteria; or
- the bonus has been determined on the basis of data that was found to be materially inaccurate or incorrect.

Long-term incentives are based on share option programmes by granting the shares to the Management Board members. Share options are granted in accordance with valid share option programmes. Shares can be exercised after 3 years from signing of the share option agreement. Share-based remuneration promotes the alignment of interests and thus creates value for the shareholders. The three-year performance period is used as it clearly links the remuneration with the market value of the share, and ensures the implementation of the Group's digital transformation strategy.

The Management Board contracts are typically concluded for the duration of 5 years. The maximum severance pay is capped at 6-9 months of basic remuneration. The non-compete clause and provisions governing reduction in the severance pay normally apply during the severance pay period.

## REPORTING AND FINANCIAL AUDIT

Availability of adequate and timely information is the basis for obtaining quality management decisions. It is important to ensure that reporting is factual, but also forward-looking. This will enable to manage, to the best of one's knowledge, risks and, in competition with other market operators, turn them into opportunities. The company's reporting can be roughly divided into: a) financial reporting and b) management reporting.

Financial reporting consists of interim reports of consolidated economic indicators and annual reports of companies that belong to the AS Ekspress Grupp group, that are made public through the stock exchange system of NASDAQ Tallinn and that are available to all shareholders, potential investors and analysts covering the company.

On the other hand, management reporting is meant for the company's internal use. It is appropriate to separate reporting on various operating indicators that focuses on the performance of business segments and different group companies as well as return on equity. The refinement of reporting is a continuous process during which indicators affecting the achievement of agreed objectives are reviewed. Management reporting includes budgets and forecasts that AS Ekspress Grupp does not disclose.

Financial audits are conducted on the basis of International Standards on Auditing. An auditor is selected and approved by the General Meeting of Shareholders. Usually the auditor is selected for the period of three years after which new tender is organised. The basis for selection is the experience of the audit team, reputation of the audit company, its access to international network, the independence of the auditor and price for the services. For the period 2020-2023 the General Meeting of the Shareholders approved KPMG to be an auditor of the Group. Latvian operations are audited by the local audit firm and joint venture AS Express Post by Ernst & Young Baltic AS. The total fee to be paid for 2023 audits (including all joint ventures) is EUR 120 thousand (2022: EUR 110 thousand).

The Group considers it important to ensure independence of the financial auditor and to avoid of conflicts of interest. We find that the financial audit was conducted in 2023 in compliance with regulative acts, international standards and expectations. KPMG presented the results in two stages: a) as part of an interim audit and b) with regard to the final audit before the opinion is issued.

## CONFLICT OF INTEREST AND TREATMENT OF INSIDE INFORMATION

Appropriate treatment of inside information is important to protect the shareholders' interests and ensure honest and fair trading of shares. Important information about AS Ekspress Grupp and its subsidiaries shall be available to all shareholders and potential new shareholders on a timely, consistent and equal basis. Due to their position, the persons connected with AS Ekspress Grupp and its subsidiaries have at certain times and cases inevitably more information about the Group than the investors and the general public. To prevent misuse of such Information, we have established internal rules for keeping and disclosure of inside information as well as for concluding transactions on the basis of inside information (hereinafter inside information rules). Inside information rules encompass the reporting system pursuant to which the employees who in performing their duties may be exposed to a conflict of interest, shall disclose their economic interests and confirm their independence through self-evaluation.

The members of the Management and Supervisory Boards of AS Ekspress Grupp representing the users (so-called insiders) of inside information have signed the respective confirmation letters and are aware of the inside information rules of AS Ekspress Grupp. Together with their closer relatives, they are included in the company's insider list. The insider list also includes the employees working in the finance area who come into contact with the Group's consolidated financial information and the members of the management and supervisory boards of key subsidiaries along with the employees responsible for preparation and presentation of accounting information.

As of 31.12.2023, the company's insider register had 48 persons with a permanent access (31.12.2022: 45 persons).

The Group keeps record of its insiders in accordance with the requirements laid down in the Securities Markets Act and the rules, regulations of NASDAQ Tallinn and commission Implementing Regulation (EU) 2022/1210 of 13 July 2022 laying down implementing technical standards for the application of Regulation (EU) No. 596/2014 of the European Parliament and the Council with regard to the format of insider lists and for updating insider lists.

We are not aware of any incidences of misuse of inside information and conflict of interest during the 2023 financial year nor have there been any transactions concluded with related parties other than under market conditions.

#### Direct ownership interests of the members of the Supervisory and Management Boards of AS Ekspress Grupp in other companies

NAME	RELATED COMPANY
Priit Rohumaa	OÜ Nutshell Invest, OÜ Nutshell Management, Nutshell Ventures OÜ, Osäühing Inversora, High Heat OÜ, Nutshell GP1 OÜ, Nutshell GP2 OÜ
Hans H. Luik	Alisel OÜ, Osäühing Minigert, HHL Rühm Osäühing, Osäühing Brevard, Iiruk OÜ, Luigepoeg OÜ, Lind Rühm OÜ, Iefe Invest OÜ, Irist OÜ, Fidens Invest OÜ, OÜ Vilipäev, Siireviire OÜ, Sisne Invest OÜ, Sisne Invest Latvia OÜ, Prestante OÜ, Lind Living OÜ, Haep OÜ, OÜ Objekt Üks, Südi OÜ, Pirita Investeeringud OÜ, Pirita tee Kinnisvara OÜ
Triin Hertmann	Digital Sputnik Lighting OÜ, First Finance OÜ, Summer Capital OÜ, Upgreens OÜ
Sami Jussi Petteri Seppänen	Suvivara OÜ
Mari-Liis Rüütsalu	EREMEL OÜ, Norg OÜ
Argo Rannamets	Leven Nordic OÜ, Magere OÜ, Nutrime OÜ, Samsala OÜ
Karl Anton	OÜ Atlandi Võlg, Nuno OÜ, Telestriim OÜ

The members of the Supervisory and Management Boards do not have any ownership interests in companies operating in the key field of activity of AS Ekspress Grupp.

An overview of the transactions with related parties made in the financial year 2023 is disclosed in Note 29 to the financial statements.

## DISCLOSURE OF INFORMATION

In disclosing information, AS Ekspress Grupp shall follow Estonian law, the rules and regulations of Nasdaq Tallinn Stock Exchange and guidelines of the Financial Supervision Authority of Estonia and immediately disclose important information regarding the group's activities to the shareholders after obtaining reasonable assurance as to its correctness and that the disclosure of such information shall not harm the interests of the group and its business partners. The main principles of communication with investors and the general public are stated in the group's disclosure policy.

The group discloses information about its financial condition and strategy in its financial statements, annual report and interim reports pursuant to the schedule that has been set. The disclosure dates of each next financial year will be announced before the end of the previous financial year.

AS Ekspress Grupp immediately discloses all decisions, issues and events that in the group's view may significantly change the price of the securities issued by the company and that are to be disclosed pursuant to laws and regulations. Stock exchange releases are published in Estonian and English.

Important information shall be disclosed through the stock exchange system and on the group's website. In 2023, AS Ekspress Grupp published 27 stock exchange releases through the stock exchange system.

NUMBER OF RELEASES	CONTENT OF RELEASE
9	Operating results
2	General meeting
9	Changes in structure and management
7	Other releases

In 2024 the Group will publish its consolidated financial results and quarterly results of digital subscriptions according to the schedule below.

DATE	EVENT
12 <sup>th</sup> January 2024	Results for digital subscriptions for the 4 <sup>th</sup> quarter of 2023
16 <sup>th</sup> February 2024	2023 12 months and 4 <sup>th</sup> quarter unaudited interim report
1 <sup>st</sup> April 2024	Audited Annual Report 2023
12 <sup>th</sup> April 2024	Results for digital subscriptions for the 1 <sup>st</sup> quarter of 2024
30 <sup>th</sup> April 2024	2024 3 months and 1 <sup>st</sup> quarter unaudited interim report
12 <sup>th</sup> July 2024	Results for digital subscriptions for the 2 <sup>nd</sup> quarter of 2024
31 <sup>st</sup> July 2024	2024 6 months and 2 <sup>nd</sup> quarter unaudited interim report
11 <sup>th</sup> October 2024	Results for digital subscriptions for the 3 <sup>rd</sup> quarter of 2024
31 <sup>st</sup> October 2024	2024 9 months and 3 <sup>rd</sup> quarter unaudited interim report

Shareholders ordinary general meeting for 2023 financial year will take place in the 2<sup>nd</sup> quarter of 2024.

## STATEMENT OF CONFORMITY TO THE RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code (CGC) is a set of guidelines which is primarily intended to be followed by the companies listed on the stock exchange. Compliance with the provisions of CGC is not mandatory, the company has the obligation to disclose and substantiate as to whether and to which extent CGC is not complied with. Listed companies are subject to the requirement “fulfil or explain”.

In its business activities, AS Ekspress Grupp proceeds from laws and legal provisions and, as a listed company, from the requirements of the Nasdaq Tallinn Stock Exchange and it takes into account the guidelines of the Corporate Governance Code in its activities to a great extent. For practical considerations, some of the recommendations are partially followed.

*Clause 1.3.2 of CGC Members of the Management Board, the Chairman of the Supervisory Board and if possible, the members of the Supervisory Board and at least one of the auditors shall participate in the General Meeting.*

The members of the Supervisory Board and the auditors always receive a meeting invitation or are always invited to a meeting.

*Clause 1.3.3 of CGC Issuers shall make participation in the General Meeting possible by means of communication equipment (Internet) if the technical equipment is available and where doing so is not too cost prohibitive for the Issuer.*

In accordance with § 298<sup>2</sup> of the Commercial Code, shareholders are offered the opportunity to vote on the draft resolutions prepared on the items on the agenda of the general meeting by transmitting their vote electronically before the general meeting. A shareholder who has voted before the meeting is considered to be participating in the general meeting. If necessary, the decisions of the general meeting are adopted without convening the meeting in accordance with § 299<sup>1</sup> of the Commercial Code.

## REMUNERATION REPORT

The Remuneration Policy for the Executive Management of AS Ekspress Grupp was approved at the regular General Meeting of Shareholders of AS Ekspress Grupp was held on 2 May 2022.

The remuneration policy describes the main principles of Ekspress Grupp's remuneration of the Supervisory Board, committees and the Management Board, as well as the decision-making process complied with when approving, assessing, and implementing the remuneration policy. The remuneration policy is valid for up to four years. The remuneration policy will comply with the recommendations of the Estonian Securities Market Act (§ 135<sup>2</sup>), Corporate Governance Recommendations (clause 2.2.7) and the provisions of the Shareholders' Rights Directive (EU 2017/828; Art 9b). The remuneration policy is based on the long-term goals of the Group and takes into account the financial results and the legitimate interests of investors and creditors. Compliance with the remuneration policy is monitored by the Supervisory Board. The policy will be guiding and steering document for approving future remuneration agreements. The remuneration policy is described in more detail in the subsection "Remuneration policy" of the Corporate Governance Report.

### Financial key metrics (continuing operations)

(EUR thousand)	2023	2022	change	2021	2020	2019
Sales revenue	73 086	64 141	14%	53 516	44 514	44 717
EBITDA	10 217	8 891	15%	8 240	5 924	4 904
Number of digital subscriptions	207 328	146 608	41%	130 731	83 185	50 049
Total group salary cost (gross)	31 791	26 687	19%	22 410	19 169	18 384
Average monthly salary (gross) per employee	2.55	2.35	9%	2.33	2.13	2.05
Average number of employees	950	860	11%	719	674	671
Remuneration (gross) of Ekspress Grupp management board:						
Mari-Liis Rüütsalu - chairman of the board since 01.01.2017	191	211	-9%	225	205	144
Argo Rannamets – chief financial officer since 01.11.2023	19	-	-	-	-	-
Karl Anton – development director since 05.06.2023	60	-	-	-	-	-
Signe Kukin – chief financial officer 01.08.2018 – 31.08.2023	76	158	-52%	163	138	98
Kaspar Hanni – development director 18.12.2017 – 02.02.2023	17	109	-85%	131	91	72

### Supervisory board and committee's remuneration

Based on the decision of the annual general meeting of shareholders held on 2 May 2022, Priit Rohumaa (Chairman of supervisory board) is entitled to a monthly remuneration of EUR 3 000 (in 2023 annual remuneration of EUR 36 000; in 2022 EUR 28 000) and Triin Hertmann (Member of supervisory board) is entitled to a monthly remuneration of EUR 1 350 (in 2023 annual remuneration of EUR 16 200; in 2022 annual remuneration of EUR 10 800). Based on the decision of the annual general meeting of shareholders held on 31 August 2022, Sami Jussi Petteri Seppänen (Member of supervisory board) is entitled to a monthly remuneration of EUR 1 350 (in 2023 annual remuneration of EUR 16 200; in 2022 annual remuneration of EUR 5 400). Hans H. Luik (Members of the Supervisory Board) do not receive any remuneration. No other fees are paid to Priit Rohumaa and Hans H. Luik for the participation in the work of Audit Committee.

## Management board remuneration

The remuneration of Ekspress Grupp management board during 2023 (in thousand euros):

Name	Position	Fixed salary (FS)	Short-term incentive (SHI)	Portion of FS / SHI	Total remuneration
Mari-Liis Rüütsalu	CEO	166	25	87/13	191
Argo Rannamets – since 01.11.2023	CFO	19	0	100/0	19
Karl Anton - since 05.06.2023	CDO	52	8	87/13	60
Signe Kukin - until 31.08.2023	CFO	76	0	100/0	76
Kaspar Hanni - until 02.02.2023	CDO	17	0	100/0	17
<b>Total</b>		<b>330</b>	<b>33</b>	<b>91/9</b>	<b>363</b>

The remuneration of Ekspress Grupp management board during 2022 (in thousand euros):

Name	Position	Fixed salary (FS)	Short-term incentive (SHI)	Portion of FS / SHI	Total remuneration
Mari-Liis Rüütsalu	CEO	166	45	79/21	211
Signe Kukin	CFO	127	31	80/20	158
Kaspar Hanni	CDO	92	17	85/15	109
<b>Total</b>		<b>385</b>	<b>93</b>	<b>81/19</b>	<b>478</b>

No remuneration paid to the management board members from other group companies. Short-term incentive paid for 2023 included targets that were set by the supervisory board at the beginning of 2023. Payments will be made in 2024. The key components related to targeted EBITDA, net profit, share of digital revenues and strategic activities related to existing businesses and potential new acquisitions.

The development in number of shares in share-based payment programmes for the group management board in 2023 is as follows:

Name	Vested shares 31.12.2022	Shares awarded / exercised 2023	Shares forfeited 2023	Shares vested 2023	Vested shares 31.12.2023
Mari-Liis Rüütsalu	53 333	0	0	26 667	80 000
Signe Kukin until 31.08.2023	36 445	0	-18 222	0	18 222
Kaspar Hanni until 02.02.2023	26 667	0	-13 333	0	13 333
<b>Total</b>	<b>116 445</b>	<b>0</b>	<b>-31 556</b>	<b>26 667</b>	<b>111 556</b>

The development in number of shares in share-based payment programmes for the group management board in 2022 is as follows:

Name	Vested shares 31.12.2021	Shares awarded / exercised 2022	Shares vested 2022	Vested shares 31.12.2022
Mari-Liis Rüütsalu	26 667	0	26 667	53 333
Signe Kukin	56 362	-38 140	18 222	36 445
Kaspar Hanni	13 333	0	13 333	26 667
<b>Total</b>	<b>96 362</b>	<b>-38 140</b>	<b>58 222</b>	<b>116 445</b>

The supervisory board believes that share-based remuneration promotes value creation in the group and that the impact these agreements have on the company and shareholders is positive.

In September 2020, the General Meeting of Shareholders approved a new share option plan for the management of AS Ekspress Grupp for the period 2021-2023. Each share option gives a right to acquire one share at the nominal price of the shares at the

time of the issuing the options. The options issued to Mari-Liis Rüütsalu, Signe Kukin and Kaspar Hanni will be exercisable in 2024.

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. No additional compensation was paid upon termination of Kaspar Hanni's management board contract.

Signe Kukin, the financial director and member of the Management Board of AS Ekspress Grupp, left the company at his own request on August 31, 2023. No additional compensation was paid upon termination of Signe Kukin's management board contract.

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## Consolidated statement of financial position

(EUR thousand)	31.12.2023	31.12.2022	Notes
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9 606	7 448	5
Trade and other receivables	13 143	11 661	6
Corporate income tax prepayment	24	49	
Inventories	321	286	10
<b>Total current assets</b>	<b>23 094</b>	<b>19 444</b>	
<b>Non-current assets</b>			
Other receivables and investments	1 628	1 580	11
Deferred tax asset	130	60	
Investments in joint ventures	851	1 017	12
Investments in associates	2 197	2 279	13
Property, plant and equipment	10 384	8 736	14
Intangible assets	67 482	66 720	15
<b>Total non-current assets</b>	<b>82 672</b>	<b>80 392</b>	
<b>TOTAL ASSETS</b>	<b>105 766</b>	<b>99 836</b>	
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	4 353	3 393	17
Trade and other payables	23 046	19 004	16
Corporate income tax payable	39	25	
<b>Total current liabilities</b>	<b>27 438</b>	<b>22 422</b>	
<b>Non-current liabilities</b>			
Long-term borrowings	21 765	21 948	17
Other long-term liabilities	22	43	
<b>Total non-current liabilities</b>	<b>21 787</b>	<b>21 991</b>	
<b>TOTAL LIABILITIES</b>	<b>49 225</b>	<b>44 413</b>	
<b>EQUITY</b>			
Minority interest	0	147	
<b>Capital and reserves attributable to equity holders of parent company</b>			
Share capital	18 478	18 478	27
Share premium	14 277	14 277	
Treasury shares	(1 057)	(334)	
Reserves	2 285	2 059	27
Retained earnings	22 558	20 796	
<b>Total capital and reserves attributable to equity holders of parent company</b>	<b>56 541</b>	<b>55 276</b>	
<b>TOTAL EQUITY</b>	<b>56 541</b>	<b>55 423</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>105 766</b>	<b>99 836</b>	

The Notes presented on pages 101 to 142 form an integral part of the consolidated financial statements.

## Consolidated statement of comprehensive income

(EUR thousand)	2023	2022	Notes
Sales revenue	73 086	64 141	20
Cost of sales	(55 046)	(48 185)	21
<b>Gross profit</b>	<b>18 040</b>	<b>15 956</b>	
Other income	581	789	25
Marketing expenses	(2 803)	(2 979)	22
Administrative expenses	(9 582)	(8 823)	23
Other expenses	(737)	(146)	
<b>Operating profit</b>	<b>5 499</b>	<b>4 797</b>	
Interest income	60	36	
Interest expenses	(1 499)	(738)	
Other finance income/ (costs)	(55)	179	
<b>Net finance cost</b>	<b>(1 494)</b>	<b>(523)</b>	
Profit (loss) on shares of joint ventures	(661)	(242)	12
Profit (loss) on shares of associates	239	325	13
<b>Profit before income tax</b>	<b>3 583</b>	<b>4 357</b>	
Income tax expense	(232)	(302)	8
<b>Net profit for the reporting period</b>	<b>3 351</b>	<b>4 055</b>	
<b>Net profit for the reporting period attributable to</b>			
Equity holders of the parent company	3 349	4 048	
Minority interest	2	7	
<b>Total comprehensive income</b>	<b>3 351</b>	<b>4 055</b>	
<b>Comprehensive income for the reporting period attributable to</b>			
Equity holders of the parent company	3 349	4 048	
Minority interest	2	7	
<b>Earnings per share (euro)</b>			
Basic earnings per share	0.1113	0.1335	27
Diluted earnings per share	0.1081	0.1294	27

The Notes presented on pages 101 to 142 form an integral part of the consolidated financial statements.

## Consolidated statement of changes in equity

(EUR thousand)	Attributable to equity holders of parent company						Minority interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total		
<b>Balance on 31.12.2021</b>	<b>18 478</b>	<b>14 277</b>	<b>(384)</b>	<b>1 920</b>	<b>19 261</b>	<b>53 552</b>	<b>140</b>	<b>53 692</b>
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 for the reporting period	0	0	0	0	4 048	4 048	7	4 055
<i>Total comprehensive income 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>
<b>Balance on 31.12.2022</b>	<b>18 478</b>	<b>14 277</b>	<b>(334)</b>	<b>2 059</b>	<b>20 796</b>	<b>55 276</b>	<b>147</b>	<b>55 423</b>
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 for the reporting period	0	0	0	0	3 349	3 349	2	3 351
<i>Total comprehensive income 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)
<b>Balance on 31.12.2023</b>	<b>18 478</b>	<b>14 277</b>	<b>(1 057)</b>	<b>2 285</b>	<b>22 558</b>	<b>56 541</b>	<b>0</b>	<b>56 541</b>

Additional information about changes in equity is disclosed in Note 27.

The Notes presented on pages 101 to 142 form an integral part of the consolidated financial statements.

## Consolidated cash flow statement

(EUR thousand)	2023	2022	Notes
<b>Cash flows from operating activities</b>			
Operating profit for the reporting year	5 499	4 797	19
<u>Adjustments for:</u>			
Depreciation and amortisation	4 719	4 084	14,15
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	387	29	
Change in value of share option	26	29	26
<b>Cash flows from operating activities:</b>			
Trade and other receivables	(1 539)	(1 939)	
Inventories	(35)	(9)	
Trade and other payables	4 921	2 188	
<b>Cash generated from operations</b>	<b>13 978</b>	<b>9 179</b>	
Income tax paid	(263)	(401)	
Interest paid	(1 476)	(767)	
<b>Net cash generated from operating activities</b>	<b>12 239</b>	<b>8 011</b>	
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries (less cash acquired)	(432)	(7 158)	
Receipts of other investments	13	10	
Cash paid-in equity-accounted investees	(1 037)	(474)	
Interest received	28	2	
Purchase of property, plant and equipment and intangible assets	(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	
<b>Net cash used in investing activities</b>	<b>(3 862)</b>	<b>(10 645)</b>	
<b>Cash flows from financing activities</b>			
Dividends paid	(1 488)	(2 425)	
Payment of lease liabilities	(2 004)	(1 751)	18
Loans received	0	4 976	
Repayments of bank loans	(1 727)	(1 680)	17
Purchases of treasury shares	(1 000)	0	27
<b>Net cash used in financing activities</b>	<b>(6 219)</b>	<b>(880)</b>	
<b>Net cash flow</b>	<b>2 158</b>	<b>(3 514)</b>	
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2 158</b>	<b>(3 514)</b>	
Cash and cash equivalents at the beginning of the year	7 448	10 962	5
Cash and cash equivalents at the end of the year	9 606	7 448	5

The Notes presented on pages 101 to 142 form an integral part of the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 1. General information

The main fields of activity of AS Ekspress Grupp and its subsidiaries consist of media operations including online, newspaper, magazine and book publishing, home delivery and other media related activities. AS Ekspress Grupp (registration number 10004677, address: Narva mnt 13, 10151 Tallinn) is a holding company registered and operating in the Republic of Estonia. Pursuant to the Commercial Code of the Republic of Estonia, the annual report, including the consolidated financial statements prepared by the Management Board and approved by the Supervisory Board, shall be approved by the General Meeting of Shareholders. The shareholders may decide not to approve the annual report prepared and submitted by the management board and may demand the preparation of a new annual report. This annual report was approved by the Management Board on 25 March 2024.

The consolidated financial statements of AS Ekspress Grupp (hereinafter the Group) reflect the results of the following group companies.

Company name	Status	Ownership interest 31.12.2023	Ownership interest 31.12.2022	Main field of activity	Domicile
<b>Operating segment: corporate functions</b>					
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
<b>Operating segment: media (online and print media)</b>					
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
Bīlešu Paradīze SIA	Subsidiary	100%	100%	Operation of the electronic ticket platform and box offices	Latvia
Altero SIA	Associate	25.48%	25.48%	Financial comparison and brokerage platform	Latvia
Delfi UAB	Subsidiary	100%	100%	Online media	Lithuania
Naujienu agentūra Elta UAB	Subsidiary	100%	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 Audioraamatute Keskus OÜ	Associate	33.33%	33.33%	Production and sale of audio books	Estonia
Digital Matter UAB	Subsidiary	100%	100%	Online advertising solutions and network	Lithuania
Digital Matter SIA	Subsidiary	100%	100%	Online advertising solutions and network	Latvia
Videotinklas UAB	Subsidiary	100%	100%	Production studio for content creation	Lithuania
Geenius Meedia OÜ	Subsidiary	100%	100%	Online media and publishing magazines	Estonia
Linna Ekraanid OÜ	Subsidiary	100%	100%	Sale of digital outdoor advertising	Estonia
Babahh Media OÜ	Subsidiary	-	100%	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. Material accounting policies adopted in the preparation of the financial statements

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all periods presented in the financial statements, unless otherwise stated.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require companies to disclose accounting policies that are related to important events/fields and provide useful and/or entity-specific information. Although the amendment did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

### **Basis of accounting**

The consolidated financial statements of AS Ekspres Grupp have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission. These financial statements have been prepared in accordance with these standards (IFRS) and IFRIC interpretations which have been issued and are effective, or have been issued and adopted early as of the time of preparing these statements.

The financial statements have been prepared under the historical cost convention, unless it is otherwise stated in the accounting policies below.

The preparation of the financial statements in conformity with IFRS requires management to make accounting estimates and exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or the areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

These consolidated financial statements are presented in euro, which is The Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### **Comparability**

The financial statements have been prepared in accordance with the consistency and comparability principles, the nature of the changes in methods and their impact is explained in the respective notes.

### **Changes in material accounting policies**

**Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements** – effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments to IAS 1 aim to help entities provide accounting policy disclosures that are more useful by:

- Requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- Clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- Clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material:

*“Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.*

Although the amendment did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The Group reviewed the accounting policies and made updates to the information disclosed in Note 2 “Material accounting policies adopted in the preparation of the financial statements” (2022: Significant accounting policies adopted in the preparation of the financial statements) in certain instances in line with amendments.

**Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors** – effective for annual periods beginning on or after 1 January 2023; to be applied prospectively. Early application is permitted.

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

The adoption of the amendments did not have a material impact on the group as these amendments provide guidance in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

**Amendments to IAS 12 Income Taxes** – effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments clarify the accounting for deferred tax on transactions that involve recognising both an asset and a liability with a single tax treatment related to both. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The adoption of the amendments did not have a material impact on the consolidated financial statements of the Group.

### **Standards, interpretations and amendments to published standards that are not yet effective**

The following new and amended standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of these new and amended standards and does not expect that they will have a significant impact on the Group’s consolidated financial statements when become effective.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Lack of Exchangeability (Amendments to IAS 21).

### **Principles of consolidation**

#### Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. Control is assumed if the Parent Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed before.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company’s voting rights in an investee are sufficient to give it power, including: the size of the parent Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Parent Company, other vote holders or other parties; rights arising from other contractual agreements; and any additional facts and circumstances that indicate that the Parent Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

When the Parent Company acquired or transferred control over the company during the period, the respective subsidiary is subject to consolidation from the date at which control is transferred to the Parent Company until the date that control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Acquisition of subsidiaries is accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the fair value of acquired net assets. If cost is lower than the fair value of acquired net assets, the difference is immediately taken to profit or loss as a bargain purchase gain.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Business combinations involving entities under common control are accounted for under the adjusted purchase method. For such business combinations, the combination might not occur under market conditions, as a result of which the application of the regular purchase method may distort the substance of the occurred transaction. The acquisition price in the transaction involving entities under common control may not reflect the actual value of the acquired entity. As a result, neither goodwill nor negative goodwill has their usual meaning. According to adjusted purchase method the assets, liabilities and contingent liabilities of the acquiree shall not be revalued to their fair values in the purchase price allocation, but they shall be recognised at their carrying amounts on the acquirer's balance sheet and the difference between the cost of acquisition and the carrying amount of the acquired net assets shall not be recognised as positive nor negative goodwill but it shall be recognised as a decrease or increase of the equity of the acquirer.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in the consolidated financial statements. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### Joint ventures and associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates are all entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between 20-50%.

Investments in joint ventures and associates are initially recognised at cost and thereafter, using the equity method of accounting. The Group's investment in joint ventures and associates includes goodwill identified on acquisition.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognised in the statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture or an associate equals or exceeds its interest in the associate, including any other unsecured receivables from the associate, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The purchase method of accounting is used to account for the acquisition of joint ventures and associates similarly to the acquisition of subsidiaries by the Group.

#### Parent Company's separate financial statements – primary statements presented as an additional disclosure to these consolidated financial statements

Pursuant to the Accounting Act of the Republic of Estonia, information of the unconsolidated financial statements (primary statements) of the consolidating entity (Parent Company) shall be disclosed in the Notes to the consolidated financial

statements. In preparing the primary financial statements of the Parent Company, the same accounting policies have been used as also in preparing the consolidated financial statements.

The parent company is using equity method of accounting less any impairment identified for its subsidiaries, joint ventures and associates.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank accounts and short-term deposits with original term of up to three months. Bank overdraft is included within borrowings in current liabilities in the balance sheet.

### **Financial instruments**

#### *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### *Classification and subsequent measurement*

#### **Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group classifies cash and cash equivalents, trade and other receivables and loans granted as financial assets measured at amortised cost.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not have any financial assets at fair value through other comprehensive income.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Financial assets – Subsequent measurement and gains and losses

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

## Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Contingent consideration assumed in a business combination is classified as at FVTPL. Discounted cash flows are used in measuring fair value. The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The estimated fair value would increase (decrease) if the expected cash flows were higher (lower) or the risk-adjusted discount rate were lower (higher).

A financial liability is classified as current when it is due to be settled within twelve months after the reporting date or when the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Loan liabilities that are to be settled within twelve months after the reporting date but an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue are classified as current liabilities.

### Derecognition

#### **Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

#### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **Impairment of financial assets**

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- other receivables, loans granted and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables without a significant financing component are always measured at an amount equal to lifetime ECLs. The expected credit losses of those financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 60 days past due unless the Group has a reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### **Property, plant and equipment**

Assets with an expected useful life of more than one year are capitalised as property, plant and equipment, if it is probable that future economic benefits associated with the asset will flow to the entity.

Property, plant and equipment are stated at historical cost less any depreciation. Cost includes the purchase price, non-refundable taxes and other expenditure that are directly or indirectly attributable to the acquisition of non-current items. The cost of items of property, plant and equipment also includes estimates of the costs of dismantling and removing the item and restoring the site on which it is located, for which an obligation arises for the entity either when the item is acquired or as a consequence of having used the item. The cost of self-constructed assets includes the cost of materials and direct labour.

If an item of property, plant and equipment consists of components with significantly different useful lives, these components are initially recognised as separate items of property, plant and equipment and separate depreciation rates are set for them depending on their useful lives. Items of property, plant and equipment with similar useful lives are accounted for as groups.

If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. The estimated future discounted cash flows are used as the basis for determining value in use (see also the accounting policy "Impairment of assets"). Impairment losses of non-current assets are expressed as an increase in accumulated depreciation and are recognised as an expense in the profit or loss statement. A recovery in value in use is recognised as a reversal of the impairment loss.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. Depreciation of an asset is started when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the residual value is higher than the carrying amount, the asset is completely withdrawn from use or is reclassified as held for sale. Depreciation does not cease when the asset is withdrawn from use. The assets' depreciation rates, the depreciation method and residual values are reviewed, and adjusted if appropriate, at each balance sheet date. When the residual value of the asset exceeds its carrying amount, the depreciation of the asset is ceased.

Gains and losses on disposals on non-current assets are the amounts determined by comparing sales proceeds with the carrying amount and they are recognised as other income or expenses in profit or loss statement.

Depreciation is calculated on a straight-line basis using the following estimated useful lives.

Vehicles 5-10 years

Other fixtures and equipment 2-7 years

Subsequent expenditure incurred for items of property, plant and equipment is recognised as separate non-current assets, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the profit or loss at the time they are incurred.

## **Intangible assets**

### Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets; goodwill on acquisitions of joint ventures and associates is included in investments in joint ventures and associates respectively. Goodwill is tested at least annually for impairment and where necessary, impairment losses are recognised. Impairment losses on goodwill are not reversed. Goodwill recognised in the consolidated balance sheet is taken into account when calculating the gains and losses at the disposal of the shares of a subsidiary. If the cost of acquisition is lower than the fair value of the net assets acquired, the difference is recognised directly in profit or loss.

For the purpose of impairment testing, goodwill is allocated to the asset groups for which it is possible to identify cash flows (cash-generating units). The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The basis for the recoverable amount of a cash-generating unit is the expected cash flows of that cash-generating unit, which are discounted using the weighted average cost of capital. When the carrying amount of the investment is not recoverable, the investment is written down to its recoverable amount and an impairment loss is recognised. When the carrying amount of the investment is recoverable, no impairment loss is recognised. The estimates and decisions used for evaluation of business combinations are reviewed on an ongoing basis and if actual results differ from estimates, the latter are adjusted.

### Trademarks

Trademarks are initially recognised at cost, including the purchase price and other costs directly attributable to the preparation of the asset for its use. Trademarks with finite useful lives are recognised in the balance sheet at fair value less any accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the acquisition cost of trademarks over their estimated useful lives. Assets that are subject to amortisation are reviewed for impairment whenever there is any indication that the carrying amount may not be recoverable and, if necessary, an impairment loss is recognised (see also "The impairment of non-financial assets").

The estimated useful lives of trademarks with finite useful lives are 5-50 years. The amortisation rates are assessed for appropriateness each year.

### Customer relationships

Customer relationships are identifiable intangible assets if they arise from contractual or legal rights, or are separable. Customer relationships acquired through business combinations are initially measured at their acquisition date fair values. Subsequently customer relationships are recognised in the balance sheet at cost less any accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the acquisition cost of customer relationships over their estimated useful lives. Assets that are subject to amortisation are reviewed for impairment whenever there is any indication that the carrying amount may not be recoverable and, if necessary, an impairment loss is recognised (see also "The impairment of non-financial assets").

The estimated useful lives of customer relationships are 2-10 years. The amortisation rates are assessed for appropriateness each year.

### Other intangible assets

Other intangible assets (including computer software) are stated in the balance sheet at historical cost less any accumulated amortisation and any impairment losses. Amortisation is calculated on a straight-line basis using 2-7 year estimated useful lives.

### **Impairment of non-financial assets**

Assets with an indefinite useful life are not subject to amortisation but they are tested annually for impairment. Assets that are subject to amortisation and assets with infinite useful lives (land) are reviewed for impairment whenever there is any indication that the carrying amount may not be recoverable. Under such circumstances the recoverable amount is compared with the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The assets (other than goodwill that impairment losses are not reversed) that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

### **Provisions**

Liabilities that have arisen as a result of past event before the balance sheet date, which have a legal or contractual basis or which arise from the company's established or published practice, which are probable to result in an outflow of resources, and which can be reliably measured, but for which the actual payment amount and payment date have not been definitely determined, are recorded as provisions in the balance sheet. The provisions are recognised based on the management's estimates regarding the amount and timing of the expected outflows. A provision is recognised in the balance sheet in the amount which according to the management is necessary for settling the obligation or transferring it to the third party as of the balance sheet date. The provision expense is included in the profit and loss statement of the period. Provisions are not recognised for future operating losses.

### **Contingent liabilities**

Promises, guarantees and other commitments that in certain circumstances may become obligations, but it is not probable that an outflow of resources will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability, are disclosed as contingent liabilities in the Notes to the financial statements.

### **Payables to employees**

Payables to employees and members of the Management Board include accrued wages and salaries, bonuses that have been calculated in accordance with the approved bonus policy and accrued vacation pay calculated in accordance with contracts of employment concluded with employees, contracts of services concluded with the members of the Management Board, and local laws in force as of the balance sheet date.

The liability related to the payment of a vacation payroll accrual together with social security and unemployment insurance payments is included within "trade and other payables" in the balance sheet and as personnel expenses in the profit or loss statement.

### **Share-based transactions**

The fair value of services (work contribution) provided by employees to the entity in return for shares is recognised as employee costs in the profit or loss statement and as a liability in the balance sheet from the date of granting the share option and during the period when the services have been provided if it is an equity settled share based option scheme. In case of cash-settled share-based option scheme a share option liability is recognised. The fair value of the services received is determined on the fair value of equity instruments (market price) granted to employees at the grant date. Upon expiry of the share option, the company has the obligation to transfer an agreed number of shares which it buys from the market and at the market price. The shares purchased for the purpose of a share option are included as “Treasury shares” among equity. When shares are transferred the amounts reported as “Treasury shares” and the liability are offset. The resulting difference is taken to retained earnings.

### **Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

#### *The Group as a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- lease payments dependent on index or rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases (leases with a lease term of 12 months or less and containing no purchase options). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Revenue recognition**

Revenue is measured based on the consideration specified in contract with a customer. The Group recognises revenue when it satisfies a performance obligation by transferring a good or service to a customer. The Group transfers a good or service to a customer when the customer obtains control of that good or service. Control may be transferred either at a point in time or over time.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and related revenue recognition policies:

Type of product / service	Nature and timing of satisfaction of performance obligations	Revenue recognition under IFRS 15
Advertising revenue	The customer obtains control of service at the moment the advertisement is published in media. Invoices are issued according to contractual terms after the service is provided. Barter transactions are offset against each other.	Revenue from providing intermediation of media and advertising services is recognised in the accounting period in which the services are rendered, it means at the time the advertisement appears in media. Revenue to be received from periodic advertisement packages is allocated in proportion to their duration. For barter transactions, advertising revenue is recognised at the time the advertisement appears in media and according to the terms laid down in the agreement either goods or services are received from the other party which are recognised as an expense at the time the goods or services are received. Non-monetary transactions are measured at fair value.
Retail sales of periodicals and books	Customers obtain control of periodicals and books when the goods have been delivered to the customer. Newspapers and magazines are normally sold at wholesale conditions and in most cases, with the right to return them. Historical experience with the return of the goods forms the basis for evaluation of the estimated refund amounts. In the case of wholesale of products, the invoice is issued to the customer for the products sold at the end of each month. In retail, the customer generally pays in cash, by credit card or with bank transfer.	Revenue from the sale of goods is recognised at the moment when the goods have been delivered to the customer, at the time when a sale is completed for the client. Historical experience with the return of the goods forms the basis for evaluation of the estimated refund amounts. The returns of goods are recognised as a reduction of revenue at the time of revenue recognition. The sale of published books is recognised at the moment when they have been sold to the end consumer.
Sale of subscribed periodicals (incl digital subscriptions) and books	Customers obtain control of periodicals and books when the goods have been delivered to the customer. Customers pay for subscribed periodicals and books as prepayments, which means that the subscription will become effective when the payment is received.	Customer payments for subscribed books, newspapers and magazines are allocated to the subscription period and recognised in revenue in accordance with the publishing of the periodical. Payments received for future subscriptions are recognised as contract liability. For packages of subscriptions, the price of the package is allocated to the individual components.
Commissions from event organizers and from tickets sold via internet	The company acting as an agent and does not control the specified goods provided by another party. Tickets sold via internet are controlled by the customer at the moment the tickets have been delivered to the customer. In the case of tickets sold at sales sites, the performance obligation shall be fulfilled at the moment the event takes place. The commissions depend on the number of tickets sold.	Revenue as an agent is recognized when the performance obligation is satisfied at point in time in the amount of commission from sale to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

**Earnings per share**

Basic earnings per share are calculated by dividing the profit of the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Treasury shares are eliminated from calculations. Diluted earnings per share are calculated based on profit or loss attributable to the ordinary equity holders of the Parent Company, and the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

### **Statutory reserve capital**

The statutory reserve in equity is a mandatory reserve, created in accordance with the Commercial Code of Estonia. Reserve capital can only be used for covering losses or to increase share capital. Each year, at least 1/20 of net profit should be transferred to reserve capital until it makes up 1/10 of share capital. The distribution to shareholders from the statutory reserve is not permitted.

### **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

If dividends are declared after the balance sheet date, those dividends are not recognised as a liability at the balance sheet date.

### **Events after the balance sheet date**

Significant events that occurred during the preparation of the financial statements and are related to transactions that took place during the financial year are considered in the valuation of assets and liabilities.

The events which occurred after the balance sheet date that have not been taken into consideration in the valuation of assets and liabilities, but that significantly impact the results of the next financial year, are disclosed in the Notes to the financial statements.

### **Segment reporting**

Operating segments are components of an entity that engage in business activities and on which it may earn revenue and incur expenses, for which discrete financial information is available and which operating results are regularly reviewed by the entity's chief operating decision maker in order to make decisions about the resources to be allocated to the segment and to assess its performance.

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Management Board of the Parent Company.

### **Corporate income tax and deferred income tax**

#### *Corporate income tax in Estonia*

According to the Income Tax Act applicable in Estonia, the annual profit earned by entities is not taxed in Estonia. Income tax is paid on dividends, fringe benefits, gifts, donations, reception costs, non-business related expenses and adjustments of the transfer price. The profit distributed as dividends is subject to income tax of 20/80 of the net amount to be paid out. A lower tax rate (14/86) applies to dividends paid regularly. If the recipient of a dividend taxed at such a lower rate is a natural person, the payer withholds 7% from the dividend payment. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which dividends are actually paid. The obligation to pay income tax arises on the 10<sup>th</sup> day of the month following the payment of dividends.

The corporate income tax arising from the payment of dividends is not recognised as a provision until the declaration of dividends. The maximum amount of a contingent income tax liability which may arise from distribution of all retained earnings is specified in the Notes to the financial statements.

#### *Corporate income tax for companies registered in Latvia*

In Latvia the income tax rate is 20% and it is applied on profit distribution. The taxation period is one month.

#### *Corporate income tax for companies registered in Lithuania*

In accordance with the local income tax laws the net profit of companies located in Lithuania adjusted for the permanent and temporary differences as stipulated by law is subject to corporate income tax 15%.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction impacts neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the carrying amounts and tax bases of the Group's assets and liabilities (the tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes).

Pursuant to the laws of the Republic of Estonia, the annual profit earned by entities is not taxed in Estonia. The corporate income tax liability arises on profit distribution and is recognised as an expense (in profit or loss for the period) at the time dividends are declared. Due to the nature of the taxation system, neither deferred income assets nor liabilities arise for the companies registered in Estonia, other than the potential income tax liability on their investments in subsidiaries, associates, and joint ventures.

The Group's deferred income tax liability arises in relation to the companies in the countries where the profit for the financial year is taxable.

The Group's deferred income tax liability also arises on investments in Estonian (and Latvian) subsidiaries, associates and joint ventures except where the timing of the reversal of taxable temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future. The examples of the reversal of taxable temporary differences are payment of dividends, sale or liquidation of an investment, and other transactions.

Since the Group controls the dividend policy of its subsidiaries, it is also able to control the timing of the reversal of temporary differences related to this investment. When the parent company has made a decision not to distribute the subsidiary's profit in the foreseeable future, it shall not recognise the deferred income tax liability. If the parent company expects to pay out dividends in the foreseeable future, the deferred income tax liability shall be measured to the extent of the planned dividend payment under the assumption that as of the reporting date there will be sufficient funds and equity available for the payment of dividends from which to distribute profits in the foreseeable future.

If necessary, the Group can block the profit allocation decisions of its joint ventures and therefore it can control the timing of the reversal of temporary differences related to this investment. When the parent company has decided not to distribute the joint venture's profit in the foreseeable future, it shall not recognise the deferred income tax liability. If the parent company expects to pay out dividends in the foreseeable future, the deferred income tax liability shall be measured to the extent of the planned dividend payment under the assumption that as of the reporting date there will be sufficient funds and equity for the payment of dividends from which to distribute profits in the foreseeable future.

Since the Group generally does not control the dividend policy of its associates, it does not control the timing of the reversal of taxable temporary differences. Thus, the Group recognises the deferred income tax liability related to its investment in the associate.

For measuring the deferred income tax liability, the Group uses the tax rates that are expected to be applied on the basis of the tax rates effective on the reporting date to taxable temporary differences in the period in which they are expected to reverse.

The maximum income tax liability that would arise in case all available equity is paid out as dividends is disclosed in Note 28 to the financial statements.

## Note 3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates by the management that have an effect on the financial statements. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies.

For preparation of the financial statements, the estimates made by the managements of all group companies shall be used which impact the Group's assets and liabilities at the balance sheet date, and also revenue and expenses for the financial year. These estimates are based on the latest information about the situation of group companies, and they take into consideration the Group's and entities' separate plans and related risks at the time of preparation of the financial statements.

Management estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year include assessment of useful lives of intangible assets identified (Note 15), valuation of goodwill (Note 15), determination of useful lives of property, plant and equipment (Note 14) and valuation of receivables and loans granted (Notes 4,6,7), and assessment of income tax liability (Note 8).

### a) Valuation of goodwill, trademarks, other intangible and tangible assets

At each balance sheet date, the management carries out impairment tests for goodwill which have arisen upon acquisition of cash-generating units or companies. Along with impairment tests for goodwill the value of other assets will also be assessed because the recoverable amounts of cash-generating units should cover goodwill as well as other assets related to cash-generating units like trademarks, intangible and tangible assets, net current assets. For finding the recoverable amount of the assets of all cash-generating units, the future expected cash flows have been discounted using the weighted average cost of capital (WACC). A more detailed overview of impairment tests is disclosed in Note 15.

As of 31.12.2023 and 31.12.2022, no impairment losses were recognised for goodwill.

The Group has intangible and tangible assets other than goodwill and for estimating the value of these assets management will assess factors whether there are any indications referring that the value of assets has decreased. If there are such indications then impairment test will be performed for the assets of the smallest cash-generating unit and if the recoverable amount is smaller than carrying amount according to the realistic cash-flow forecast provided by the management, then the carrying amount of assets will be written down to the recoverable amount.

### b) Estimation of useful lives of intangible assets

The management has determined the estimated useful lives of intangible assets, taking into account the business conditions and volumes, historical experience in the given field and future projections. The depreciation charges will be increased where useful lives are shorter than previously estimated lives, and technically obsolete and idle assets that have been written off or written down.

According to the estimates, the useful lives of trademarks as of the balance sheet date are 5-50 years, based on past experiences on useful lives of similar trademarks. The trademark in the online media is the title of the online portal "Delfi", "Geenius.ee", "ELTA" and "Lrytas.lt", the trademarks in print media are mainly the titles of different publications (magazines, newspapers). The useful lives of online media trademarks are estimated to be longer than those of print media. The remaining amortisation period of online media trademarks is up to 34 years. The useful lives of print media trademarks are generally estimated to be between 5-10 years.

Carrying amount of trademarks as of 31.12.2023 is EUR 11 443 thousand (31.12.2022: EUR 11 994 thousand). If useful lives of online trademarks increased or decreased by 10%, the annual amortisation charge would decrease or increase, respectively, by EUR 46/56 thousand.

### c) Valuation of useful lives of property, plant and equipment

The management has determined the estimated useful lives of the items of property, plant and equipment, taking into account the business conditions and volumes, historical experience in the given field and future projections. The management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

If the useful lives increased/decreased by 10%, the annual depreciation charge would decreased/increased by EUR 79/97 thousand, EUR 19/23 thousand and EUR 149/182 thousand of 'Buildings', 'Machinery and equipment' and 'Other equipment',

respectively. The total decrease/increase in the depreciation charge in case of an increase/decrease of 10% in useful lives would be EUR 247/302 thousand.

d) Assessment of the value of receivables

The Group has applied the simplified approach in recognising lifetime ECL as presented IFRS 9 for trade receivables. Loss allowances for trade receivables without a significant financing component are measured at an amount equal to lifetime ECL. The expected credit losses of those financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

e) Corporate income tax – recognition of deferred income tax on investments made in Estonian (and Latvian) subsidiaries, associates and joint ventures

The Group controls the dividend policy of its subsidiaries and it is also able to control the timing of the reversal of temporary differences related to this investment. The Group also can block the profit allocation decisions of its joint ventures and therefore it can control the timing of the reversal of temporary differences related to this investment as well. AS of 31.12.2023, the Group has decided not to distribute the profits of subsidiaries and joint ventures in the foreseeable future and therefore it does not recognise a deferred income tax liability on these investments. As of 31.12.2023, the Group also does not recognise a deferred income tax liability on investments in associates, as impact of income tax on the possible distribution of profit on the consolidated financial statements is immaterial.

## Note 4. Financial risk management

In its daily activities, the Group has to consider various financial risks. More substantial ones include credit risk, liquidity risk, market risk (including interest rate risk and price risk) and capital risk.

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

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

### Credit risk

Credit risk is expressed as a loss which may be incurred by the Group and is caused by the counterparty if the latter fails to perform its contractual financial obligations. Credit risk arises from cash and bank, trade receivables, other short-term receivables and loans granted.

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

Bank	Moody`s	Standard & Poor`s	31.12.2023	31.12.2022
SEB	Aa3	A+	2 492	1 965
Swedbank	Aa3	A+	5 633	3 185
Citadele	Baa2	-	161	1 520
Luminor/LHV	Baa1/Baa1	-/-	1 239	731
<b>Total</b>			<b>9 524</b>	<b>7 402</b>

The banks' latest long-term credit rating shown on the bank's website is used.

The payment discipline of clients is continuously monitored to reduce credit risk. A credit policy has been established to ensure the sale of services to clients with an adequate credit history and the application of prepayments to clients in a higher risk category. According to the credit policy, different client groups are subject to different payment terms and credit limits. Clients are classified on the basis of their size, reputation, and the results of credit background checks and history of payment behaviour. At the first level, the advertising clients are divided into two groups: advertising agencies and direct clients, they are further grouped according to the above principles. The Group applies the same credit policy in all Baltic States, but is aware of different credit behaviour of clients. Subsidiaries in Estonia outsource reminder services in order to collect overdue receivables more effectively.

In the case of new clients, their credit background is checked with the help of financial information databases such as Kredidiinfo and other similar databases. At the beginning clients' payment behaviour will be monitored with heightened interest. Upon following the payment discipline, it is possible to receive more flexible credit terms, such as longer payment terms, higher credit limits, etc. Upon violation of the payment discipline, stricter credit terms are applied. In case of large transactions, in particular in the segment of printing services, clients are requested to make prepayment or provide a guarantee letter.

The credit risk concentration related to accounts receivable is not material due to the extensive number of customers.

The maximum credit risk which arises from the trade and other receivables is provided below:

31.12.2023 (EUR thousand)	Due date	Overdue ≤ 7 days	Overdue >7 days and ≤60 days	Overdue > 60 days	Total receivables
Trade receivables (Note 6,7)	6 222	1 202	782	60	8 267
Other short-term receivables (Note 6)	3 844	0	0	0	3 844
Other long-term receivables (Note 11)	758	0	0	0	758
<b>TOTAL</b>	<b>10 824</b>	<b>1 202</b>	<b>782</b>	<b>60</b>	<b>12 869</b>

31.12.2022 (EUR thousand)	Due date	Overdue ≤ 7 days	Overdue >7 days and ≤60 days	Overdue > 60 days	Total receivables
Trade receivables (Note 6,7)	6 245	945	485	16	7 691
Other short-term receivables (Note 6)	2 720	0	0	0	2 720
Other long-term receivables (Note 11)	711	0	0	0	711
<b>TOTAL</b>	<b>9 676</b>	<b>945</b>	<b>485</b>	<b>16</b>	<b>11 122</b>

In 2023, the Group has written down doubtful receivables in the amount of EUR 235 thousand (2022: EUR 153 thousand). For all trade receivables, the Group applies the simplified approach to providing for expected credit losses (ECL) prescribed by IFRS 9, which permits the use of the lifetime expected loss provision. The expected credit losses of those financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Information about the changes in allowance of receivables during the reporting period is presented in Note 7.

For all other receivables (incl. loans granted), the Group measures the loss allowance at an amount equal to 12 months ECL, if the credit risk has not increased significantly since initial recognition. If there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. As at 31.12.2023 the credit risk has not increased significantly.

## Liquidity risk

Liquidity risk means that the Group may not have liquid funds to fulfil its financial obligations in a timely manner.

The objective of the Group is to maintain a balance between the financial needs and financial possibilities of the Group. Cash flow planning is used as a means to manage the liquidity risk. To manage liquidity risk as effectively as possible, the bank accounts of the Parent Company and its subsidiaries comprise one group account (cash pool) which enables the members of the group account to use the finances of the Group within the limit established by the Parent Company. The group account operates in Estonia, but foreign subsidiaries in Latvia and Lithuania are also part thereof. According to the policy of the Group, all subsidiaries and joint ventures prepare long term cash flow projections for the following year, which are adjusted on a quarterly basis. For monitoring short-term cash flows the subsidiaries prepare thirteen-week cash flow projections on a weekly basis.

To manage the liquidity risk, the Group uses different financing sources which include bank loans, overdraft, continuous monitoring of trade receivables and delivery contracts.

Overdraft credit is used to finance working capital, long-term bank loans and lease agreements are used to make capital expenditures to acquire non-current assets. The Group's overdraft loan is long-term and related to the term of the loan contract. This essentially works as a long-term line of credit, the use of which the Group can regulate at its own discretion.

**Analysis of undiscounted financial liabilities (principal and future interest payments) by payment term**

31.12.2023 (EUR thousand)	Undiscounted				Total	Carrying amount
	≤ 1 month	> 1 month and ≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years		
Bank loans (Note 17)	250	501	2 216	11 722	<b>14 689</b>	<b>12 919</b>
Notes (Note 17)	0	0	507	6 393	<b>6 900</b>	<b>5 000</b>
Lease payments (Note 17,18)	220	438	1 901	6 660	<b>9 218</b>	<b>8 199</b>
Trade payables (Note 16)	4 100	501	1	0	<b>4 603</b>	<b>4 603</b>
Other payables	1 372	0	0	22	<b>1 394</b>	<b>1 394</b>
<b>TOTAL</b>	<b>5 942</b>	<b>1 440</b>	<b>4 626</b>	<b>24 796</b>	<b>36 805</b>	<b>32 115</b>

31.12.2022 (EUR thousand)	Undiscounted				Total	Carrying amount
	≤ 1 month	> 1 month and ≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years		
Bank loans (Note 17)	179	358	1 782	14 485	<b>16 804</b>	<b>14 646</b>
Notes (Note 17)	0	0	340	6 720	<b>7 060</b>	<b>5 000</b>
Lease payments (Note 17,18)	161	316	1 418	4 338	<b>6 233</b>	<b>5 695</b>
Trade payables (Note 16)	3 347	252	48	0	<b>3 647</b>	<b>3 647</b>
Other payables	2 142	0	0	43	<b>2 185</b>	<b>2 185</b>
<b>TOTAL</b>	<b>5 829</b>	<b>926</b>	<b>3 588</b>	<b>25 586</b>	<b>35 930</b>	<b>31 174</b>

More information about loan payments is disclosed in Note 17.

Other payables include payables to joint ventures, accrued interest, other accrued liabilities and contingent liabilities, see Note 16.

**Foreign exchange risk**

Foreign exchange risk arises when future business transactions or recognised assets or liabilities are fixed in a currency which is not the functional currency of the Group. Although the Group's business activities are international, the Group has not foreign exchange risk. The functional currency of the Group's companies is euro. The subsidiaries are typically required to use the euro as the currency in foreign contracts. The amounts received in foreign currencies are converted into euros immediately after their receipt in order to reduce open foreign currency positions. No other means are used for hedging foreign exchange risk.

As of 31.12.2023, the Group's foreign currency risk related to USD was EUR 138 thousand. As of 31.12.2022, the Group's foreign currency risk related to USD was EUR 4 thousand.

**Interest rate risk**

Interest rate risk means that a change in interest rates results in a change in the cash flow and profit of the Group. The interest rates of loans granted and lease taken are all tied to 6-month Euribor plus margin.

The Group's interest rate risk is related to short-term and long-term borrowings which carry a floating interest rate. The interest rate risk is mainly related to the fluctuation of Euribor. Interest rate change by 1 percentage point would change the Group's loan interest expense by ca 168 thousand euros per year, by 2 percentage points by ca 336 thousand euros per year.

Type of interest	Interest rate	31.12.2023			Carrying amount
		(EUR thousand)	<= 1 year	>1 year and <=5 years	
Fixed and floating interest rate	6-month Euribor+1.90%-2.40%	Loan	2 245	10 674	<b>12 919</b>
	6-month Euribor+6.00%*	Notes	0	5 000	<b>5 000</b>
	6-month Euribor+1.90%-3.50%	Lease liability	2 108	6 091	<b>8 199</b>
	1-month Euribor+1.75%	Overdraft	0	0	<b>0</b>

\*from October 2023, the interest rate of 6-month Euribor + 6.00% applies to notes.

Type of interest	Interest rate	31.12.2022			Carrying amount
		(EUR thousand)	<= 1 year	>1 year and <=5 years	
Fixed and floating interest rate	6-month Euribor+1.90%-2.40%	Loan	1 728	12 918	<b>14 646</b>
	6.00%*	Notes	0	5 000	<b>5 000</b>
	6-month Euribor+1.90%-3.50%	Lease liability	1 665	4 030	<b>5 695</b>
	1-month Euribor+1.75%	Overdraft	0	0	<b>0</b>

\*from October 2023, the interest rate of 6-month Euribor + 6.00% applies to notes.

Information about loans is disclosed in Note 17.

### Price risk

The price of printing services and home delivery affects the activities of the Group the most. The Group hedges the price risk of the printing services and home delivery by making advance payments to the printing house for the paper used for printing periodicals, and by fixing the prices of both paper and home delivery in long-term contracts, as well as keeping print circulations at an optimal level.

### Capital risk

The main objective of the Group upon managing capital risk is to ensure the sustainability of the Group in order to ensure income for its shareholders and benefits for other stakeholders, while maintaining the optimal capital structure in order to reduce the price of capital.

According to the common industry practice, the Group uses the debt to capital ratio to monitor its capital. The debt to capital ratio is calculated as the ratio of net debt to total capital. Net debt is calculated by deducting cash and bank accounts from total debt (short and long-term interest bearing liabilities recognised in the consolidated balance sheet). Total capital is recognised as the aggregate of equity and net debt.

### Equity ratios of the Group

(EUR thousand)	31.12.2023	31.12.2022
Interest-bearing debt (excl. rental liabilities according to IFRS 16)	20 177	20 763
Cash and bank accounts	9 606	7 448
Net debt	10 570	13 315
Equity	56 541	55 423
Total capital	67 112	68 738
<b>Debt to capital ratio</b>	<b>16%</b>	<b>19%</b>
Total assets	105 766	99 836
<b>Equity ratio</b>	<b>53%</b>	<b>56%</b>

*Fair value*

The Group's management estimates that the fair values of the financial assets (Notes 5,6,7,9,11) and financial liabilities (Notes 16,17,18) recognised in the balance sheet at amortised cost do not significantly differ from their carrying amounts presented in the Group's consolidated balance sheet on 31 December 2023 and 31 December 2022. The Group's risk margins correspond to market conditions. Based on that, the management estimates that the fair value of long-term borrowings does not significantly differ from their carrying amounts. The fair value of financial liabilities is determined on the basis of discounted future contractual cash flows, using a market interest rate which is available for the Group upon using similar financial instruments. Trade receivables and trade payables are recognised at amortised cost, due to which the management estimates that their carrying amount approximates their fair value.

The fair value of other investments through profit or loss was 870 thousand euros as at 31.12.2023 (31.12.2022: 870 thousand euros). Investments are not listed on any stock exchange and these are categorised as level 3 in fair value hierarchy.

## Note 5. Cash and bank

(EUR thousand)	31.12.2023	31.12.2022
Cash in hand	82	45
Cash at bank	9 439	7 355
Cash in transit	80	36
Term deposit	5	11
<b>Total cash and bank</b>	<b>9 606</b>	<b>7 448</b>

## Note 6. Trade and other receivables

(EUR thousand)	31.12.2023	31.12.2022
Trade receivables (Note 4,7)	8 267	7 691
Other tax receivables	85	127
Other receivables (Note 4,9)	3 844	2 720
Prepayments	947	1 123
<b>Total trade and other receivables</b>	<b>13 143</b>	<b>11 661</b>

Prepayments include mainly the prepayments for software licenses and insurance.

## Note 7. Trade receivables

(EUR thousand)	31.12.2023	31.12.2022
Trade receivables	8 410	7 777
Allowance for doubtful receivables	(143)	(86)
<b>Total trade receivables (Note 6)</b>	<b>8 267</b>	<b>7 691</b>

(EUR thousand)	2023	2022
Allowance for doubtful receivables at the beginning of the period	(86)	(108)
Proceeds from doubtful receivables during the period	162	129
Allowance for doubtful receivables recognised during the period	(235)	(153)
Receivables written off from balance sheet during the period	15	46
<b>Allowance for doubtful receivables at the end of the period</b>	<b>(143)</b>	<b>(86)</b>

Impairment losses from trade receivables recognised during the period are reported in the statement of comprehensive income as “Cost of sales”. For further information on ageing of receivables (including overdue receivables), see Note 4. Accounting policies for impairment of financial assets are disclosed in Note 2.

## Note 8. Corporate income tax and deferred tax

Group's income tax expense (EUR thousand)	2023	2022
Corporate income tax expense	232	302
<b>Total income tax expense</b>	<b>232</b>	<b>302</b>

### Corporate income tax

(EUR thousand)	2023	2022
<i>Latvia</i>		
<b>Current income tax expense</b>	<b>(21)</b>	<b>(16)</b>
<i>Lithuania</i>		
Profit before tax	1 103	1 757
Tax rate	15%	15%
Estimated income tax	(165)	(264)
Impact of income not taxable/expenses not deductible for tax purposes	(46)	(23)
<b>Current income tax expense</b>	<b>(211)</b>	<b>(287)</b>

## Note 9. Other short-term receivables

(EUR thousand)	31.12.2023	31.12.2022
<b>Receivables from associates (Note 29)</b>	<b>9</b>	<b>122</b>
Trade receivables	8	22
Loans granted	1	100
Receivables from joint ventures (Note 29)	51	166
Receivables from related parties (Note 29)	6	12
Other short-term receivables	3 778	2 420
<b>Total other short-term receivables (Note 6)</b>	<b>3 844</b>	<b>2 720</b>

Other receivables include mainly the prepayments (cash collected on behalf of event organizers for the events) to event organizers. Prepayments to event organisers represent the balance of payments made to event organizers prior to event.

## Note 10. Inventories

(EUR thousand)	31.12.2023	31.12.2022
Work in progress	21	5
Finished goods	265	266
Goods for resale	35	15
<b>Total inventories</b>	<b>321</b>	<b>286</b>

(EUR thousand)	2023	2022
Impairment of finished goods	70	61
<b>Allowance for impairment recognised in profit or loss</b>	<b>70</b>	<b>61</b>

Impairment of inventories is included in the line of the statement of comprehensive income "Cost of sales".

## Note 11. Other receivables and investments

(EUR thousand)	31.12.2023	31.12.2022
Receivables from associates and joint ventures (Note 4,29)	58	11
Other receivables (Note 29)	700	700
Other investments - mandatorily as fair value through profit or loss*	870	870
<b>Other receivables and investments total</b>	<b>1 628</b>	<b>1 581</b>

\* This row includes investment in equity instruments.

## Note 12. Joint ventures

Company name	Ownership interest %		Co-owner	Co-owner
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
AS Õhtuleht Kirjastus	50%	50%	AVH Grupp AS	AVH Grupp AS
AS Express Post (Note 30)	50%	50%	AS Postimees Grupp	AS Postimees Grupp

The main activity of joint ventures is described in Note 1. After the balance sheet date, AS Õhtuleht Kirjastus, 50% of which owned by AS Ekspress Grupp, will acquire a 100% ownership interest in AS Express Post (Note 30).

(EUR thousand)	AS Õhtuleht Kirjastus	AS Express Post	Total
<b>31.12.2023</b>			
Net assets of the joint venture	1 680	62	1 742
Proportion of ownership in the joint venture	50%	50%	
Other adjustments	(19)	0	(19)
<b>Carrying amount of interest in the joint venture</b>	<b>821</b>	<b>31</b>	<b>851</b>
Profit / (loss) on shares of joint ventures	42	(703)	<b>(661)</b>
<b>31.12.2022</b>			
Net assets of the joint venture	2 073	(556)	1 517
Proportion of ownership in the joint venture	50%	50%	
Other adjustments	(19)	278	259
<b>Carrying amount of interest in the joint venture</b>	<b>1 017</b>	<b>0</b>	<b>1 017</b>
Profit / (loss) on shares of joint ventures	247	(489)	<b>(242)</b>

### Financial information of joint ventures

(EUR thousand)	AS Õhtuleht Kirjastus	AS Express Post	Total
<b>31.12.2023</b>			
Current assets	2 295	532	2 828
Non-current assets	3 208	4	3 212
<b>Total assets</b>	<b>5 503</b>	<b>536</b>	<b>6 039</b>
Current liabilities	3 434	475	3 909
Non-current liabilities	389	0	389
<b>Total liabilities</b>	<b>3 823</b>	<b>475</b>	<b>4 298</b>

(EUR thousand)	AS Õhtuleht Kirjastus	AS Express Post	Total
<b>The above amounts of assets and liabilities include the following:</b>			
<i>Cash and cash equivalents</i>	1 511	420	1 931
<i>Current financial liabilities (excluding trade and other payables and provisions)</i>	142	0	142
<i>Non-current financial liabilities (excluding trade and other payables and provisions)</i>	389	0	389

(EUR thousand)	AS Õhtuleht Kirjastus	AS Express Post	Total
<b>31.12.2022</b>			
Current assets	2 538	913	3 451
Non-current assets	3 474	27	3 501
<b>Total assets</b>	<b>6 012</b>	<b>940</b>	<b>6 951</b>
Current liabilities	3 418	1 496	4 914
Non-current liabilities	520	0	520
<b>Total liabilities</b>	<b>3 938</b>	<b>1 496</b>	<b>5 434</b>

**The above amounts of assets and liabilities include the following:**

<i>Cash and cash equivalents</i>	1 415	369	1 784
<i>Current financial liabilities (excluding trade and other payables and provisions)</i>	141	0	141
<i>Non-current financial liabilities (excluding trade and other payables and provisions)</i>	520	0	520

(EUR thousand)	AS Õhtuleht Kirjastus	AS Express Post	Total
<b>2023</b>			
Revenue	13 546	2 348	15 895
Depreciation and amortisation	(533)	(17)	(551)
Interest income	0	0	0
Interest expense	(29)	0	(29)
<b>Profit / (loss) before income tax</b>	<b>246</b>	<b>(1 406)</b>	<b>(1 160)</b>
Income tax expense	(90)	0	(90)
<b>Profit / (loss) for the reporting period</b>	<b>156</b>	<b>(1 406)</b>	<b>(1 250)</b>
Other comprehensive income	0	0	0
<b>Total comprehensive income</b>	<b>156</b>	<b>(1 406)</b>	<b>(1 250)</b>
<b>2022</b>			
Revenue	14 162	5 217	19 379
Depreciation and amortisation	(622)	(22)	(644)
Interest income	0	0	0
Interest expense	(10)	(2)	(11)
<b>Profit / (loss) before income tax</b>	<b>572</b>	<b>(1 173)</b>	<b>(601)</b>
Income tax expense	(78)	0	(78)
<b>Profit / (loss) for the reporting period</b>	<b>494</b>	<b>(1 173)</b>	<b>(679)</b>
Other comprehensive income	0	0	0
<b>Total comprehensive income</b>	<b>494</b>	<b>(1 173)</b>	<b>(679)</b>

## Note 13. Associates

(EUR thousand)	31.12.2023	31.12.2022
Acquisition of associates	39	0
Received dividends	399	361
Impairment loss recognised for the receivables of associates (Note 29)	(38)	(105)
<b>Shares of associates in the balance sheet</b>	<b>2 197</b>	<b>2 279</b>
<b>Share of loss in associates recognised in statement of comprehensive income</b>		
Profit (loss) under the equity method	239	325
<b>Total profit (loss) of associates</b>	<b>239</b>	<b>325</b>

Company name	Ownership interest %	
	31.12.2023	31.12.2022
Kinnisvarakeskkond OÜ	49.00%	49.00%
Altero SIA	25.48%	25.48%
Eesti Audioraamatute Keskus OÜ	33.33%	33.33%

### Financial information of associate

(EUR thousand)	Eesti Audioraamatute Keskus OÜ	Kinnisvara-keskkond OÜ	Altero SIA (consolidated)
<b>31.12.2023</b>			
Total assets	76	248	1 376
Total liabilities	67	174	494
Total revenue	37	738	6 821
Total expenses	26	823	5 751
<b>Net profit (loss)</b>	<b>11</b>	<b>(85)</b>	<b>1 070</b>
<b>31.12.2022</b>			
Total assets	74	279	2 122
Total liabilities	76	1 917*	695
Total revenue	13	680	6 423
Total expenses	19	893	4 962
<b>Net profit (loss)</b>	<b>(6)</b>	<b>(213)</b>	<b>1 462</b>

\*As at 31.12.2022 the liabilities of Kinnisvarakeskkond OÜ include liabilities to shareholders in the amount of EUR 1 841 thousand. In 2023 the liabilities to shareholders in the amount of EUR 1 796 were converted into the equity of Kinnisvarakeskkond OÜ.

## Note 14. Property, plant and equipment

(EUR thousand)	Buildings	Machinery and equipment	Other fixtures	Under construction and prepayments	Total tangible assets
<b>31.12.2021</b>					
Cost	4 829	1 636	7 508	520	<b>14 493</b>
Accumulated depreciation	(1 965)	(1 044)	(3 520)	0	<b>(6 529)</b>
<b>Carrying amount</b>	<b>2 864</b>	<b>591</b>	<b>3 988</b>	<b>520</b>	<b>7 964</b>
Acquisitions and improvements	771	317	1 067	1 999	<b>4 153</b>
Disposals (at carrying amount)	0	(8)	(15)	0	<b>(23)</b>
Impairment and write-offs (at carrying amount)	(633)*	(25)	(239)*	(18)	<b>(914)</b>
Reclassification	49	0	1 330	(1 393)	<b>(13)</b>
Acquired through business combinations	0	16	0	0	<b>16</b>
Depreciation	(833)	(267)	(1 347)	0	<b>(2 446)</b>
<b>31.12.2022</b>					
Cost	4 887	2 030	9 297	1 109	<b>17 324</b>
Accumulated depreciation	(2 669)	(1 405)	(4 514)	0	<b>(8 588)</b>
<b>Carrying amount</b>	<b>2 218</b>	<b>625</b>	<b>4 783</b>	<b>1 109</b>	<b>8 736</b>
Acquisitions and improvements	1 921	359	1 049	1 167	<b>4 496</b>
Disposals (at carrying amount)	0	0	(1)	0	<b>(1)</b>
Impairment and write-offs (at carrying amount)	(61)*	(1)	(63)*	(1)	<b>(126)</b>
Reclassification	0	3	1 973	(1 977)	<b>0</b>
Depreciation	(874)	(210)	(1 636)	0	<b>(2 721)</b>
<b>31.12.2023</b>					
Cost	6 741	2 277	11 854	298	<b>21 170</b>
Accumulated depreciation	(3 537)	(1 501)	(5 749)	0	<b>(10 786)</b>
<b>Carrying amount</b>	<b>3 204</b>	<b>776</b>	<b>6 106</b>	<b>298</b>	<b>10 384</b>

In 2023, Acquisition and improvements of property, plant and equipment include the recognition of right of use leased assets (the addition of rental of the sites of LED screen in Latvia and Estonia and the addition of office space and other assets) in the amount of EUR 2 931 thousand according to the accounting standard IFRS 16 "Leases" (2022: EUR 1 694 thousand).

\*In 2023, Impairment and write-offs of "Buildings" include the derecognition of right-of-use assets in the carrying value of EUR 61 thousand (2022: EUR 613 thousand) and "Other fixtures" in the amount of EUR 49 thousand (2022: EUR 216 thousand).

Information about pledged items of property, plant and equipment is disclosed in Note 17.

Information about payments of leases and right-of-use assets are disclosed in Note 18.

## Note 15. Intangible assets

(EUR thousand)	Goodwill	Trademarks	Develop- ment costs	Customer relation- ships	Computer software	Prepay- ments	Total intangible assets
<b>31.12.2021</b>							
Cost	55 473	15 515	695	3 546	5 316	1 535	<b>82 081</b>
Accumulated amortisation and impairments	(9 897)	(5 598)	(548)	(2 247)	(2 983)	0	<b>(21 274)</b>
<b>Carrying amount</b>	<b>45 576</b>	<b>9 917</b>	<b>146</b>	<b>1 299</b>	<b>2 333</b>	<b>1 535</b>	<b>60 807</b>
Purchases and improvements	0	0	6	0	636	1 383	<b>2 024</b>
Write-offs (at carrying amount)	0	0	0	0	(133)	(4)	<b>(136)</b>
Reclassification	0	116	32	0	1 338	(1 486)	<b>0</b>
Acquired through business combination	3 203	2 459	0	0	1	0	<b>5 663</b>
Amortisation	0	(498)	(81)	(175)	(884)	0	<b>(1 638)</b>
<b>31.12.2022</b>							
Cost	58 676	18 123	699	3 546	6 934	1 428	<b>89 406</b>
Accumulated amortisation and impairments	(9 897)	(6 129)	(595)	(2 422)	(3 643)	0	<b>(22 686)</b>
<b>Carrying amount</b>	<b>48 779</b>	<b>11 994</b>	<b>104</b>	<b>1 124</b>	<b>3 291</b>	<b>1 428</b>	<b>66 720</b>
Purchases and improvements	0	0	0	0	853	2 587	<b>3 441</b>
Write-offs (at carrying amount)	(281)	0	0	0	(21)	0	<b>(302)</b>
Reclassification	0	0	2 402	0	(784)	(1 618)	<b>0</b>
Disposals (at carrying amount)	(332)	(47)	0	0	0	0	<b>(379)</b>
Amortisation	0	(504)	(367)	(175)	(952)	0	<b>(1 997)</b>
<b>31.12.2023</b>							
Cost	58 063	18 019	4 071	3 546	5 750	2 397	<b>91 845</b>
Accumulated amortisation and impairments	(9 897)	(6 576)	(1 932)	(2 597)	(3 361)	0	<b>(24 363)</b>
<b>Carrying amount</b>	<b>48 166</b>	<b>11 443</b>	<b>2 139</b>	<b>949</b>	<b>2 388</b>	<b>2 397</b>	<b>67 482</b>

Information about intangible assets pledged as collateral for loans is disclosed in Note 17.

**Goodwill by cash-generating units**

(in thousands)	EUR	
	31.12.2023	31.12.2022
Delfi	34 805	35 137
Other media	8 154	8 434
Marketplaces	3 564	3 564
Outdoor screens	1 643	1 643
<b>Total goodwill</b>	<b>48 166</b>	<b>48 779</b>

In the impairment tests, recoverable amount is based on the value in use method by using discounted cash flow method. For each business unit acquired, five-year cash flow forecasts have been prepared for the respective cash-generating units. After the fifth year, the estimation of cash flows in the impairment tests is based on perpetuity. The growth rate for long-term expected cash flows is conservative growth rate that is expected to be the growth on the market. Revenue growth, variable and fixed costs have been estimated on the basis of prior period results and future strategic plans. In the impairment tests, the nominal models are used.

The impairment test of Delfi includes the cash flows of Delfi related product in AS Delfi Meedia, the cash flows of Latvian entity AS Delfi and the cash flows of Lithuanian entity UAB Delfi.

Other media: The impairment test of Maaleht is based on the future cash flows of business of newspaper Maaleht (including all related activities and their results) and magazine Maakodu in AS Delfi Meedia. The impairment test of Digital Matter includes the cash flows of Digital Matter activities in all Baltic countries. The impairment test of Geenius Meedia is based on the future cash flows of products of Geenius Meedia OÜ. Lrytas' impairment test is based on the future cash flows of products of Lrytas UAB and ELTA's impairment test is based on the future cash flows of products of ELTA UAB.

Market places: The impairment test of Biļešu Paradīze is based on the future cash flows from the operation of the electronic ticket platform and box offices in Latvia.

Outdoor screens: The impairment test of Linna Ekraanid and D Screens is based on the future cash flows of digital outdoor advertising business in Estonia and Latvia.

Cash flows of all cash generating units are based on group accounting principles and adjusted for any internal management or similar fee where applicable.

The applied revenue growth rates are as follows:

Cash-generating unit	Average revenue growth pa		Terminal value growth	
	next 5 years			
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Delfi	5.1%-11.5%	6.8%-9.8%	3.0%	3.0%
Other media - Estonia	1.5%-13.6%	1.4%-20.2%	0.0%-3.0%	0.0%-3.0%
Other media - Lithuania	14.0%-17.6%	6.4%	3.0%	3.0%
Marketplaces	4.8%	5.7%	3.0%	3.0%
Outdoor screens	9.7%-13.7%	15.0%-20.2%	3.0%	3.0%

The present value and the terminal value of the cash flows for the following five years were determined using the weighted average cost of capital as the discount rate, where the expected ROE is 12.2%-12.8% (2022: 12.6%-19.1%) and the return on debt is 6.1% (2022: 6.6%). The debt to equity ratio is based on the latest average debt to equity ratio provided by the database of Damodaran Online. The cost of equity has been calculated using CAPM (Capital Asset Pricing Model). The latest average unleveraged beta of the relevant industry based on Damodaran Online database has been used as one component. The long-term euro bond yield of Germany has been used as the basis for determining the risk rates of these countries.

The applied discount rates are as follows:

Cash-generating unit	31.12.2023	31.12.2022
Delfi	9.69%-10.40%	10.55%-11.11%
Other media - Estonia	10.05%	10.55%
Other media - Lithuania	9.69%	10.71%
Marketplaces	10.40%	11.11%
Outdoor screens	10.05%-10.40%	14.15%-14.70%

The table below shows the recoverable and carrying amounts of cash-generating units, and the differences between them prior to recognition of an impairment loss. The carrying amounts include in addition to goodwill also trademarks, property, plant and equipment, other intangible assets and working capital. No impairment losses have been recognised during the year or the year before.

(EUR thousand)	31.12.2023			31.12.2022		
	Recoverable amount	Carrying amount (prior to impairment)	Difference	Recoverable amount	Carrying amount (prior to impairment)	Difference
Delfi	94 574	50 468	44 106	83 994	48 325	35 669
Other media	45 520	13 705	31 815	28 192	7 665	20 527
Marketplaces	21 518	7 388	14 130	16 057	7 660	8 397
Outdoor screens	32 656	7 633	25 023	16 526	7 001	9 525

The Group's management considers the key assumptions used for the purpose of impairment testing of all cash-generating units to be realistic. If there is a major unfavourable change in any of the key assumptions used in the test (for example, if the Delfi's annual growth of sales revenue is more than 10 percentage points lower, all other indicators remaining unchanged, and for other cash-generating units more than 20-25 percentage points lower), an additional impairment loss of some assets may be recognised.

The earnings of all cash-generating units are high and their future expected cash flows exceed the carrying value of its related assets by amount where any reasonable change in underlying assumptions would not cause the necessity for impairment loss to be recognized.

## Note 16. Trade and other payables

(EUR thousand)	31.12.2023	31.12.2022
Trade payables (Note 4)	4 603	3 647
<i>incl. payables to related parties (Note 29)</i>	367	171
Payables to employees	3 449	3 554
Other taxes payable	2 153	2 071
Contract liability (Note 20)	2 590	2 779
Contingent consideration	19	244
Payables to joint ventures (Note 29)	16	236
Payables to associates (Note 29)	1	1
Accrued interest	121	72
Other accrued liabilities	10 094	6 400
<b>Total trade and other payables</b>	<b>23 046</b>	<b>19 004</b>

Contract liability includes mainly the client prepayments for subscriptions of periodicals.

Other accrued liabilities include mainly the cash collected on behalf of event organizers for the events that either will take place in 2023 or have already happened, but the final settlement with the organizers has not been made (Note 9).

## Note 17. Bank loans and borrowings

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

The effective interest rates are very close to the nominal interest rates. The fair value of the loan liabilities is close to their book value as the interest rate is floating and related to Euribor and the margin has been negotiated based on market terms.

According to the agreements the interest margin is in range of 1.90%-2.40%

The loans are secured by:

- Shares of subsidiaries;
- Guarantees of AS Ekspress Grupp and subsidiaries;
- Group's trademarks in the amount of EUR 5.4 million;
- The ultimate controlling shareholder has also given a personal guarantee in the amount of EUR 4 million to cover the loan and overdraft agreements.

According to the conditions of the loan agreement, the borrower needs to keep the total debt/EBITDA ratio below 3.0. As of 31.12.2023, debt/EBITDA ratio calculated in accordance with the adjustments laid down in the loan contract was 1.88. According to the conditions of the loan agreement, the borrower also needs to keep the debt-service coverage ratio (DSCR) at least 1.2. As of 31.12.2023, DSCR ratio calculated in accordance with the adjustments laid down in the loan contract was 2.35. In addition, the liquidity reserve should be held at the bank in the amount of EUR 1 million.

Changes in bank loans and borrowings resulting from cash flows are presented in the consolidated cash flow statement. The non-monetary change in lease liabilities in the reporting year amounted to EUR 4 507 thousand.

### Notes

In October 2019, AS Ekspress Grupp issued 5 000 notes with the nominal value of EUR 1 000, interest margin of 6% per year and due date on the 8<sup>th</sup> anniversary of the issue date, i.e. 7 October 2027. Interest is paid once a year on the 7<sup>th</sup> of October.

The notes were issued in a private placement to the pension funds managed by AS LHV Varahaldus. On 4 October 2019, AS Ekspress Grupp signed a subscription agreement with AS LHV Varahaldus, who is acting on behalf of pension funds (LHV Pension Fund XL, LHV Pension Fund L, and LHV Pension Fund M) to subscribe all the issued notes with the aggregate nominal value of 5 million euros.

The notes are subordinated to the outstanding loan Ekspress Grupp has borrowed from AS SEB Bank in January 2019. AS SEB Bank will have the position of senior creditor and the notes are subordinated to the aforementioned loan from AS SEB Bank. The notes represent secured debt obligation of Ekspress Grupp before its shareholders and related parties. Notes are fully

secured with the guarantee issued by OÜ Haep, owned 88% by AS Ekspress Grupp's ultimate shareholder Hans H. Luik and by the guarantee of Hans H. Luik.

According to the note terms and conditions, the total debt / EBITDA ratio of AS Ekspress Grupp (using consolidated financial data) should be lower than 4.0 and the DSCR ratio should be at least 1.2. As of 31.12.2023, debt/EBITDA ratio calculated in accordance with the adjustments laid down in note terms and conditions was 1.88 and DSCR ratio was 2.35.

### **Overdraft facilities**

As at 31.12.2023, the Group had an outstanding overdraft facility with SEB Bank in the amount of EUR 3 million with the due date of 30.09.2024. No overdraft had been used by the balance sheet date of 31.12.2023 and 31.12.2022.

## Note 18. Leases

Right-of use assets are presented as property, plant and equipment.

Most of the Group's leases consist of office facilities, which typically have a lease term of three to five years with an option to renew the lease after that date. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group leases IT/office equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

### *Right-of-use assets*

(EUR thousand)	Buildings	Machinery and equipment	Other fixtures	Total
<b>2022</b>				
<b>Balance at 1 January</b>	<b>2 595</b>	<b>258</b>	<b>2 998</b>	<b>5 852</b>
Depreciation charge for the year	(743)	(113)	(910)	(1 766)
Additions to right-of-use assets	741	182	1 628	2 551
Derecognition of right-of-use assets	(613)	(23)	(237)	(873)
<b>Balance at 31 December</b>	<b>1 980</b>	<b>304</b>	<b>3 479</b>	<b>5 763</b>
<b>2023</b>				
<b>Balance at 1 January</b>	<b>1 980</b>	<b>304</b>	<b>3 479</b>	<b>5 763</b>
Depreciation charge for the year	(797)	(41)	(1 225)	(2 063)
Additions to right-of-use assets	1 920	170	2 724	4 814
Derecognition of right-of-use assets	(61)	0	(49)	(111)
<b>Balance at 31 December</b>	<b>3 042</b>	<b>433</b>	<b>4 928</b>	<b>8 403</b>

### *Amounts recognised in profit or loss*

(EUR thousand)	2023	2022
Interest on lease liabilities	335	130
Expenses relating to low-value and short-term leases	1 632	1 244

### *Amounts recognised in statement of cash flows*

(EUR thousand)	2023	2022
Total cash outflow for leases (Note 4)	(2 004)	(1 751)

## Note 19. 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.

The Group operates in only one operating segment, which is the media segment.

**Media segment:** management of online news portals, advertising sales in own portals in the Baltics and publishing of newspapers, magazines, customer and advertising fliers, publishing and publication of books in Estonia 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 and Estonia.

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 online advertising and other advertising 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 and also IT-services until 30.06.2023.

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.

Capital expenditure comprises additions to property, plant and equipment (Note 14) and intangible assets (Note 15). The significant non-current assets located outside Estonia include primarily the different trademarks, which carrying amounts are per countries as follows:

- Latvia, EUR 3.9 million as of 31.12.2023 (EUR 4.0 million as of 31.12.2022)
- Lithuania, EUR 3.8 million as of 31.12.2023 (EUR 4.0 million as of 31.12.2022)

Goodwill relating to companies outside Estonia at their carrying amounts is as follows:

- Latvia, EUR 10.9 million as of 31.12.2023 (EUR 10.9 million as of 31.12.2022)
- Lithuania, EUR 16.5 million as of 31.12.2023 (EUR 16.8 million as of 31.12.2022)

Customer relationships relating to companies outside Estonia at their carrying amounts is as follows:

- Latvia, EUR 0.9 million as of 31.12.2023 (EUR 1.1 million as of 31.12.2022)

2023 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
<b>Sales to external customers</b>	<b>72 265</b>	<b>821</b>	<b>0</b>	<b>73 086</b>
Inter-segment sales	1 100	1 820	(2 920)	0
Total segment sales	73 365	2 642	(2 920)	73 086
<b>EBITDA</b>	<b>11 695</b>	<b>(1 477)</b>	<b>(1)</b>	<b>10 217</b>
<b>EBITDA margin</b>	<b>16%</b>			<b>14%</b>
Depreciation (Note 14,15)				4 719
Operating profit /(loss)				5 499
Investments (Note 14,15)				7 937

2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
<b>Sales to external customers</b>	<b>62 587</b>	<b>1 554</b>	<b>0</b>	<b>64 141</b>
Inter-segment sales	103	2 946	(3 050)	0
Total segment sales	62 690	4 500	(3 050)	64 141
<b>EBITDA</b>	<b>10 183</b>	<b>(1 122)</b>	<b>(171)</b>	<b>8 891</b>
<b>EBITDA margin</b>	<b>16%</b>			<b>14%</b>
Depreciation (Note 14,15)				(4 084)
Operating profit /(loss)				4 797
Investments (Note 14,15)				6 177

## Note 20. Sales revenue

(EUR thousand)	Media		Corporate functions		Total	
	2023	2022	2023	2022	2023	2022
<b>Major products/service lines</b>						
Advertising revenue	42 074	37 600	0	0	<b>42 074</b>	<b>37 600</b>
Subscriptions (incl. single-copy sales)	19 016	16 819	0	0	<b>19 016</b>	<b>16 819</b>
Marketplaces	3 434	2 232	0	0	<b>3 434</b>	<b>2 232</b>
Outdoor screens	3 530	2 396	0	0	<b>3 530</b>	<b>2 396</b>
Sale of other goods and services	4 211	3 539	821	1 554	<b>5 032</b>	<b>5 093</b>
<b>Total</b>	<b>72 265</b>	<b>62 587</b>	<b>821</b>	<b>1 554</b>	<b>73 086</b>	<b>64 141</b>

<b>Timing of revenue recognition</b>						
Goods and services transferred at a point in time and over time	72 265	62 587	821	1 554	<b>73 086</b>	<b>64 141</b>
<b>Revenue from contracts with customers total</b>	<b>72 265</b>	<b>62 587</b>	<b>821</b>	<b>1 554</b>	<b>73 086</b>	<b>64 141</b>

(EUR thousand)	2023	2022
<b>Sales revenue by geographical area</b>		
Estonia	38 206	35 656
Latvia	11 060	8 111
Lithuania	18 609	12 884
Other Europe	4 643	6 944
Other countries	568	546
<b>Total</b>	<b>73 086</b>	<b>64 141</b>

The following table provides information about contract assets and contract liabilities from contracts with customers.

(EUR thousand)	31.12.2023	31.12.2022
Contract liabilities (Note 16)	2 590	2 779

The contract liabilities primarily related to the client prepayments for subscriptions of periodicals. As there are no significant financing components in these contracts and the contract liability will be recognised as revenue in one year or less, the Group applies practical expedient. As a practical expedient, the Group need not adjust the transaction price in a contract for the effects of a significant financing component, if the period between when the customer pays for the good or service and when the Group transfers the good or service is one year or less.

## Note 21. Cost of sales

(EUR thousand)	2023	2022
Raw materials and consumables used	412	400
Services purchased	15 414	14 393
Salaries and social taxes	31 963	26 847
Lease expense (Note 18)	1 143	791
Other expenses	2 668	2 672
Depreciation and amortisation	3 446	3 083
<b>Total expenses</b>	<b>55 046</b>	<b>48 185</b>

## Note 22. Marketing expenses

(EUR thousand)	2023	2022
Marketing	2 175	1 937
Salaries and social taxes	597	1 010
Lease expense (Note 18)	14	20
Depreciation and amortisation	17	13
<b>Total marketing expenses</b>	<b>2 803</b>	<b>2 979</b>

## Note 23. Administrative expenses

(EUR thousand)	2023	2022
Raw materials and consumables used	195	185
Repairs and maintenance	676	794
Communication expenses	141	130
Lease expense (Note 18)	475	434
Services purchased	2 451	2 169
Salaries and social taxes	4 388	4 122
Depreciation and amortisation	1 256	988
<b>Total administrative expenses</b>	<b>9 582</b>	<b>8 823</b>

## Note 24. Expenses by type

(EUR thousand)	2023	2022
Salaries and social taxes	36 948	31 978
Raw materials and consumables used	607	585
Lease expense (Note 18)	1 632	1 244
Services purchased	17 865	16 562
Marketing expenses	2 175	1 937
Repairs and maintenance	676	794
Communication expenses	141	130
Other expenses	2 668	2 672
Depreciation and amortisation	4 719	4 084
<b>Total cost of sales, marketing and administrative expenses</b>	<b>67 431</b>	<b>59 987</b>
<b>Average number of employees</b>	<b>976</b>	<b>884</b>

The information provided in this Note is aggregate numbers from Notes 21-23.

## Note 25. Other income

(EUR thousand)	2023	2022
Subsidies	353	400
Other income	228	389
<b>Total other income</b>	<b>581</b>	<b>789</b>

## Note 26. Share option plans

### Program approved in 2020 – currently valid

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 March 4, 2024, the share option program approved on 29.09.2020 was amended by the resolution of the shareholders of AS Ekspress Grupp. According to the resolution 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 AS Ekspress Grupp 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 – ended as of 31.12.2023**

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 27. Equity

**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.

**Reserves**

The reserves include statutory reserve capital required by the Commercial Code and a general-purpose equity contribution by a founding shareholder.

(EUR thousand)	31.12.2023	31.12.2022
Statutory reserve capital	1 555	1 355
Additional cash contribution from shareholder	639	639
Share option reserve	91	65
<b>Total reserves</b>	<b>2 285</b>	<b>2 059</b>

**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	2023	2022
Profit / (loss) attributable to equity holders	3 349 108	4 047 812
Average number of ordinary shares at the end of the period	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
<b>Basic earnings per share</b>	<b>0.1113</b>	<b>0.1335</b>
<b>Diluted earnings per share</b>	<b>0.1081</b>	<b>0.1294</b>

**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 15<sup>th</sup> February 2023 and ended yesterday 6<sup>th</sup> 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 9<sup>th</sup> March 2023.

**Note 28. Contingent assets and liabilities****Contingent income tax liability**

As of 31.12.2023, the consolidated retained earnings of the Group amounted to EUR 22 558 thousand (31.12.2022: EUR 20 796 thousand). Income tax of 20/80 of net dividend paid is imposed on the profit distributed as dividends. When an entity pays dividends it has received from its joint ventures and subsidiaries that have already paid income tax on those dividends or the profit of which has already been taxed in the domicile of the entity, the payment of those dividends by the Parent Company is not subject to additional income tax. Accordingly, as of 31.12.2023, AS Ekspress Grupp (Parent Company) may pay out dividends tax-free in the amount of EUR 22 737 thousand (as of 31.12.2022: EUR 23 450 thousand). Upon the payment of all possible retained earnings as at 31.12.2023, no potential income tax liability occurs.

**Contingent assets and liabilities arising from pending court cases**

The Group's subsidiaries have also several pending court cases, the impact of which on the Group's financial results is insignificant.

## Note 29. Related party transactions

Transactions with related parties are transactions with shareholders, associates, joint ventures, members of the Key Management of all group companies, their immediate family members and the companies under their control or significant influence.

The ultimate controlling individual of AS Ekspress Grupp is Hans H. Luik.

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

SALES (EUR thousand)	2023	2022
<b>Sale of services</b>		
Members of Supervisory Board and companies related to them	163	122
Members of Management Board and companies related to them	3	2
Associates	126	162
Joint ventures	836	1 492
<b>Total sale of services</b>	<b>1 128</b>	<b>1 778</b>

PURCHASES (EUR thousand)	2023	2022
<b>Purchase of services</b>		
Members of Management Board and companies related to them	36	72
Members of Supervisory Board and companies related to them	2 927	3 012
Associates	13	2
Joint ventures	950	2 077
<b>Total purchases of services</b>	<b>3 926</b>	<b>5 163</b>

RECEIVABLES (EUR thousand)	31.12.2023	31.12.2022
<b>Short-term receivables</b>		
Members of Supervisory Board and companies related to them (Note 9)	6	12
Associates (Note 9)	9	122
Joint ventures (Note 9)	51	166
<b>Total short-term receivables</b>	<b>66</b>	<b>300</b>
<b>Long-term receivables</b>		
Members of Supervisory Board and companies related to them	700	700
Associates (Note 11)	58	11
<b>Total long-term receivables</b>	<b>758</b>	<b>711</b>
<b>Total receivables</b>	<b>824</b>	<b>1 011</b>

LIABILITIES (EUR thousand)	31.12.2023	31.12.2022
<b>Current liabilities</b>		
Members of Management Board and companies related to them (Note 16)	2	3
Members of Supervisory Board and companies related to them (Note 16)	366	167
Associates (Note 16)	1	1
Joint ventures (Note 16)	16	236
<b>Total liabilities</b>	<b>385</b>	<b>408</b>

According to the decision of the General Meeting held on 2 June 2009 and 4 May 2012, Hans H. Luik will be paid a guarantee fee of 1.5% per annum on the guarantee amount for the personal guarantee of EUR 4 million on the loan and overdraft agreements until the guarantee expires. In 2023, a payment of EUR 60 thousand (2022: EUR 60 thousand) was paid for the personal guarantee and there are no outstanding liabilities as of 31 December 2023 and 31 December 2022.

### Remuneration of members of the Management Boards of the consolidation group

(EUR thousand)	2023	2022
Salaries and other benefits (without social tax)	2 703	2 461
Share option	3	14
<b>Total (without social tax)</b>	<b>2 706</b>	<b>2 475</b>

The members of all management boards of the group companies (incl. key management of foreign subsidiaries if these companies do not have management board as per Estonian Commercial Code) (hereinafter Key Management) are entitled to receive compensation upon expiry or termination of their contracts in accordance with the terms laid down in their employment contracts. The Key Management terminations benefits are payable only in case the termination of contracts is originated by the company. If a member of the Key Management is recalled without a substantial reason, a notice thereof shall be given up to 3 months in advance and the member shall be paid compensation for termination of the contract in the amount of up to 9 months' salary. Upon termination of an employment relationship, no compensation shall be usually paid if a member of the Key Management leaves at his or her initiative or if a member of the Key Management is removed by the Supervisory Board with a valid reason. As of 31 December 2023, the maximum gross amount of potential Key Management termination benefits was EUR 919 thousand (31.12.2022: EUR 746 thousand). No remuneration is paid separately or in addition to the members of the Supervisory Boards of the Group companies and no compensation is paid if they are recalled.

## Note 30. 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 (Note 12).

## Note 31. Financial information about the Parent Company

In accordance with the Accounting Act of Estonia, the separate non-consolidated primary statements of the Parent Company shall be disclosed in the consolidated annual report.

### Statement of financial position of AS Ekspress Grupp (Parent Company)

(EUR thousand)	31.12.2023	31.12.2022
<b>ASSETS</b>		
Cash and cash equivalents	19	336
Trade and other receivables	3 227	3 281
<b>Total current assets</b>	<b>3 246</b>	<b>3 617</b>
<b>Non-current assets</b>		
Other receivables	5 130	9 485
Other investments	1 532	1 532
Investments in subsidiaries	52 366	65 761
Investments in joint ventures	851	1 017
Investments in associates	36	0
Property, plant and equipment	234	395
Intangible assets	243	2 329
<b>Total non-current assets</b>	<b>60 391</b>	<b>80 519</b>
<b>TOTAL ASSETS</b>	<b>63 637</b>	<b>84 136</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Borrowings	47	60
Trade and other payables	1 902	8 316
<b>Total current liabilities</b>	<b>1 949</b>	<b>8 376</b>
Long-term borrowings	5 147	5 206
Other long-term liabilities towards subsidiaries	0	15 278
<b>Total non-current liabilities</b>	<b>5 147</b>	<b>20 484</b>
<b>Total liabilities</b>	<b>7 096</b>	<b>28 860</b>
<b>Equity</b>		
Share capital	18 478	18 478
Share premium	14 277	14 277
Treasury shares	(1 057)	(334)
Statutory reserve capital	1 555	1 355
Other reserves	731	704
Retained earnings	22 558	20 796
<b>Total equity</b>	<b>56 541</b>	<b>55 276</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>63 637</b>	<b>84 136</b>

**Statement of comprehensive income of AS Ekspress Grupp (Parent Company)**

(EUR thousand)	2023	2022
Sales revenue	3 119	5 111
Cost of sales	(1 956)	(3 966)
<b>Gross profit</b>	<b>1 163</b>	<b>1 145</b>
Other income	0	23
Administrative expenses	(1 492)	(1 588)
Other expenses	(179)	(22)
<b>Operating loss</b>	<b>(509)</b>	<b>(442)</b>
Finance income and costs on shares of subsidiaries	4 943	5 103
Finance income and costs on shares of joint ventures	(661)	(242)
Finance income and costs on shares of associates	(42)	(104)
Interest income	436	419
Interest expenses	(831)	(697)
Other finance income and costs	13	10
<b>Financial income and expense</b>	<b>3 858</b>	<b>4 490</b>
<b>PROFIT FOR THE YEAR</b>	<b>3 349</b>	<b>4 048</b>
Other comprehensive income (expense) for the year	0	0
<b>Total comprehensive income for the year</b>	<b>3 349</b>	<b>4 048</b>

**Statement of changes in equity of AS Ekspress Grupp (Parent Company)**

(EUR thousand)	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total
<b>Balance on 31.12.2021</b>	<b>18 478</b>	<b>14 277</b>	<b>(384)</b>	<b>1 920</b>	<b>19 261</b>	<b>53 552</b>
Increase of statutory reserve capital	0	0	0	110	(110)	0
Share options	0	0	50	29	22	101
Dividends paid	0	0	0	0	(2 425)	(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>
Net profit for the reporting period	0	0	0	0	4 048	4 048
<i>Total comprehensive income 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>
<b>Balance on 31.12.2022</b>	<b>18 478</b>	<b>14 277</b>	<b>(334)</b>	<b>2 059</b>	<b>20 796</b>	<b>55 276</b>
Increase of statutory reserve capital	0	0	0	200	(200)	0
Share options	0	0	277	26	101	404
Purchase of treasury shares	0	0	(1 000)	0	0	(1 000)
Dividends paid	0	0	0	0	(1 488)	(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>
Net profit for the reporting period	0	0	0	0	3 349	3 349
<i>Total comprehensive income 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>
<b>Balance on 31.12.2023</b>	<b>18 478</b>	<b>14 277</b>	<b>(1 057)</b>	<b>2 285</b>	<b>22 558</b>	<b>56 541</b>

**Cash flow statement of AS Ekspress Grupp (Parent Company)**

(EUR thousand)	2023	2022
<b>Cash flows from operating activities</b>		
Operating loss for the period	(509)	(442)
<u>Adjustments for:</u>		
Depreciation, amortisation and (gain)/loss on sale, write-down and impairment of property, plant and equipment	361	541
Change in value of share option	26	29
<b>Cash flows from operating activities:</b>		
Trade and other receivables	581	(340)
Trade and other payables	(53)	705
<b>Cash generated from operations</b>	<b>407</b>	<b>493</b>
Interest paid	(628)	(691)
<b>Net cash generated from operating activities</b>	<b>(221)</b>	<b>(198)</b>
<b>Cash flows from investing activities</b>		
Increase/ decrease in investments in subsidiaries	811	3 495
Cash paid-in equity-accounted investees	(1 037)	(474)
Receipts of other investments	13	10
Interest received	971	141
Dividends received	775	940
Purchase of property, plant and equipment and intangible assets	(990)	(1 062)
Proceeds from sale of property, plant and equipment and intangible assets	2 225	23
Loans granted	0	(4 885)
Loan repayments received	1 909	400
<b>Net cash from investing activities</b>	<b>4 677</b>	<b>(1 411)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1 488)	(2 425)
Change in cash pool account	(1 632)	2 366
Loans received / Repayments of borrowings	(600)	0
Payments of lease liabilities	(54)	(67)
Purchases of treasury shares	(1 000)	0
<b>Net cash generated from financing activities</b>	<b>(4 774)</b>	<b>(126)</b>
<b>Cash flows total</b>	<b>(317)</b>	<b>(1 735)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(317)</b>	<b>(1 735)</b>
Cash and cash equivalents at beginning of the period	336	2 071
Cash and cash equivalents at end of the period	19	336

## Management Board's confirmation of the consolidated annual report

The Management Board confirms that the management report, sustainability report, corporate governance report and remuneration report of AS Ekspress Grupp disclosed on pages 5 to 95 present a true and fair view of the business developments, results and financial position of the Parent Company and its group companies. The Management Board confirms that the consolidated financial statements disclosed on pages 96 to 142 give to the best of its knowledge a true and fair view of the assets, liabilities, financial position and results of the issuer and its group companies in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission and include a description of major risks and uncertainties.

Mari-Liis Rüütsalu	Chairman of the Management Board	<i>signed digitally</i>	25.03.2024
Argo Rannamets	Member of the Management Board	<i>signed digitally</i>	25.03.2024
Karl Anton	Member of the Management Board	<i>signed digitally</i>	25.03.2024

# Independent auditors' report

To the Shareholders of Aktsiaselts Ekspress Grupp

(Translation of the Estonian original)

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Ekspress Grupp AS and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of comprehensive income, cash flows, changes in equity for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the recoverability of goodwill	
Additional information in notes 3 and 15 of the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Group's consolidated statement of financial position as at 31 December 2023 includes goodwill in the amount of EUR 48,166 thousand, further discussed in note 15.</p> <p>Relevant financial reporting standards require that goodwill is tested, at least annually, for impairment.</p>	<p>In this area, we conducted, among others, the following audit procedures:</p> <ul style="list-style-type: none"> <li>We assessed for significant CGUs identified by management the appropriateness of the allocation of assets based on our understanding of the Group's operations;</li> </ul>

<p>The assessment of the recoverability of goodwill requires significant judgment in determining the future performance of the cash-generating units (CGUs) to which goodwill has been allocated.</p> <p>The recoverable amount of goodwill is determined by calculating the value in use of the relevant CGUs using the discounted cash flow method whose key inputs such as discount rates, expected future revenue and terminal value growth rates depend on management's significant judgment and estimates.</p> <p>The determination of whether the internal and external inputs used by the Group to calculate the recoverable amounts of significant items of goodwill were based on reasonable and appropriate estimates required our particular attention during the audit. Even small changes in the inputs may have a significant impact on the estimate of the recoverable amount of goodwill and, thus, also on the Group's financial results.</p>	<ul style="list-style-type: none"> <li>• Assisted by our own valuation specialists, we assessed the model used for calculating the recoverable amount of goodwill against the requirements of the relevant financial reporting standards and we evaluated and challenged the key assumptions used in respect of discount rates, expected future revenue and terminal value growth rates considering the data available from external sources and our understanding of the Group's operations and the economic environment;</li> <li>• We compared the data used in the model with the budgets and strategy approved by the Group's Supervisory Board and assessed the historical accuracy of the Group's budgeting process by comparing recent years' actual revenue and EBITDA (earnings before interest, tax, depreciation and amortisation) to the budgeted amounts;</li> <li>• We assessed the adequacy of the related disclosures in the consolidated financial statements, including those in respect of the sensitivity of the valuation results to changes in the key assumptions.</li> </ul>
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## Other Information

Management is responsible for the other information. The other information comprises the information included in the general information, management report, sustainability report, corporate governance report and the remuneration report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements. With respect to the remuneration report, our responsibility also includes considering whether the remuneration report has been prepared in accordance with the requirements of Subsection 3 of Section 135<sup>3</sup> of the Securities Market Act.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard and we state that the information presented in the management report is materially consistent with the consolidated financial statements and in accordance with the applicable legal and regulatory requirements. In our opinion, the remuneration report has been prepared in accordance with the requirements of Subsection 3 of Section 135<sup>3</sup> of the Securities Market Act.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

This version of our auditors' report is a copy from the original, which was prepared in xhtml format and presented to Nasdaq Tallinn together with the original version of the consolidated financial statements. All possible care has been taken to ensure that the copy is an accurate representation of the original, excluding xbrl tagging. However, in all matters of interpretation of information, views or opinions, the original version of our report takes precedence over this copy.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

### Report on Compliance with the Requirements for iXBRL tagging of Consolidated Financial Statements included within the European Single Electronic Format Regulatory Technical Standard (ESEF RTS)

We have undertaken a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files 529900B52V1TUMW7FS54-2023-12-31-et.zip prepared by Ekspress Grupp AS.

#### Responsibilities of Management for the Digital Files Prepared in Compliance with the ESEF RTS

Management is responsible for preparing digital files that comply with the ESEF RTS. This responsibility includes:

- the selection and application of appropriate iXBRL tags using judgement where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF RTS.

#### Auditors' Responsibilities

Our responsibility is to express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the ESEF RTS based on the evidence we have obtained.

We apply International Standard on Quality Control (Estonia) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about compliance with the ESEF RTS. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF RTS, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the tagging and the ESEF RTS, including of internal control over the tagging process relevant to the engagement;
- reconciling the tagged data with the audited consolidated financial statements of the Group dated 31 December 2023;

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- evaluating the completeness of the tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements included in the annual report of Ekspress Grupp AS identified as 529900B52V1TUMW7FS54-2023-12-31-et.zip for the year ended 31 December 2023 are tagged, in all material respects, in compliance with the ESEF RTS.

#### **Other Requirements of the Auditors' Report in Accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council**

We were last appointed by those charged with governance on 17 June 2020 to audit the consolidated financial statements of Ekspress Grupp AS for the years ended 31 December 2020 until 31 December 2023. Our total uninterrupted period of engagement is seven years, covering the periods ending 31 December 2017 to 31 December 2023.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group;
- we have not provided to the Group the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014. We also remained independent of the audited entity in conducting the audit.

Tallinn, 25 March 2024

/signed digitally/

**Liina Randmann**

Certified Public Accountant,  
Licence No 661

/signed digitally/

**Mari-Leen Sandre**

Certified Public Accountant,  
Licence No 701

**KPMG Baltics OÜ**

Licence no 17

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## PROPOSAL FOR PROFIT ALLOCATION FOR THE YEAR 2023

The Management Board of AS Ekspress Grupp proposes to allocate the consolidated net profit for the financial year ended 31 December 2023 in the amount of EUR 3 349 thousand as follows:

<b>(EUR thousand)</b>	
<b>Consolidated net profit attributable to equity holders of AS Ekspress Grupp</b>	<b>3 349</b>
Payment of dividends	1 842
Increase in statutory reserve (1/20 from the profit)	167
Profit for the financial year to be transferred to retained earnings	1 339
Statutory reserve before increase	1 555
<b>Statutory reserve after the increase</b>	<b>1 722</b>
Retained earnings before profit allocation	22 558
<b>Total consolidated retained earnings after profit distribution</b>	<b>20 549</b>

# DECLARATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

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The Management Board has prepared the annual report of AS Ekspress Grupp for the year ended on 31 December 2023 consisting of management report, sustainability report, corporate governance report, remuneration report, consolidated financial statements, the Management Board's confirmation of the annual report, independent auditor's report, proposal for profit allocation and declaration of the Management Board and Supervisory Board.

The Supervisory Board of AS Ekspress Grupp has reviewed the annual report, prepared by the Management Board, consisting of management report, sustainability report, corporate governance report, remuneration report, consolidated financial statements, the Management Board's confirmation of the annual report, independent auditor's report, proposal for profit allocation and declaration of the Management Board and Supervisory Board. The Supervisory Board has approved the annual report for presentation at the Annual General Meeting of Shareholders.

## Management Board

*Signed digitally*

Chairman of the Management Board  
Mari-Liis Rüttsalu

*Signed digitally*

Member of the Management Board  
Argo Rannamets

*Signed digitally*

Member of the Management Board  
Karl Anton

## Supervisory Board

*Signed digitally*

Chairman of the Supervisory Board  
Priit Rohumaa

*Signed digitally*

Member of the Supervisory Board  
Hans H. Luik

*Signed digitally*

Member of the Supervisory Board  
Sami Jussi Petteri Seppänen

*Signed digitally*

Member of the Supervisory Board  
Triin Hertmann