

E K S P R E S S G R U P P

AS EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT

FOR THE SECOND QUARTER AND FIRST HALF-YEAR OF 2020

(unaudited)

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GENERAL INFORMATION

| | |
|-------------------------------|--|
| Company name | AS Ekspress Grupp |
| Registration number | 10004677 |
| Address | Parda 6, Tallinn 10151 |
| Phone | 669 8381 |
| E-mail | egrupp@egrupp.ee |
| Internet homepage | www.egrupp.ee |
| Main field of activity | Media and related activities |
| Beginning of reporting period | 1 January 2020 |
| End of reporting period | 30 June 2020 |
| Financial year | 1 January - 31 December |
| Management Board | Mari-Liis Rüütsalu Signe Kukin Kaspar Hanni |
| Supervisory Board | Priit Rohumaa Hans H. Luik Indrek Kasela Peeter Saks Aleksandras Česnavičius |
| Auditor | KPMG Baltics OÜ |

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

The Management Board confirms that the management report and interim consolidated financial statements of AS Ekspress Grupp disclosed on pages 5 to 45 present a true and fair view of the key events which have occurred during the reporting period and their effect on the Group's financial position, results and cash flows, and they include a description of major risks and related party transactions of great significance.

| | | | |
|--------------------|----------------------------------|-------------------------|------------|
| Mari-Liis Rüütsalu | chairman of the Management Board | <i>signed digitally</i> | 30.07.2020 |
| Signe Kukin | member of the Management Board | <i>signed digitally</i> | 30.07.2020 |
| Kaspar Hanni | member of the Management Board | <i>signed digitally</i> | 30.07.2020 |

BRIEF OVERVIEW OF THE GROUP

Ekspress Group with its 30-year history is the leading media group in the Baltic States that owns five media companies in Estonia, Latvia and Lithuania and one of the largest printing houses in the Baltic States. We have a strong internal capability for provision of digital content and advertising solutions, and we arrange impressive and memorable entertainment events.

Our customers are media content consumers (retail and business customers), advertising buyers and other organisations that purchase the services of our companies.

- **Key activity:** creation of journalistic content, editing of news portals, publishing of newspapers, magazines and books throughout the Baltic States.
- **Development of digital lines of business:** The share of digital revenue is constantly rising, and it made up 69% of the media segment revenue and 45% of Group's total revenue at the end of 2019.
- **We provide printing services** to Estonian and foreign customers, as well as to all of our own periodicals.
- **The key activities are supported by** information technology development, audio-visual production solutions, renting of advertising space, home delivery of paper periodicals.
- Management of the **real estate portal** in Estonia.
- Organisation of an increasing number of **entertainment and other events**.
- Since 2019, the **operation of the electronic ticket platform and box offices in Latvia**.

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 54.70%.

Ekspress Grupp in figures (2019)



*The number of digital subscriptions, periodicals, online media platforms, companies and employees also includes the data of joint ventures and associates.

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 leading digital publisher in Baltics (in terms of user time spent and number of real users)
- Maintain our quality paper-based media products for the audiences who value this format
- 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 addition to the development of the digital media segment, printed media as well as the quality and cost-efficiency of printing services are also vital for the Group.

The Group plans to strengthen its existing core business and facilitate digital transformation through increasing the share of the Group's digital revenue. In order to support growth, the goal of Ekspress Grupp is to ensure an optimal distribution of investments, repayment of loans and profit allocation both from the point of view of the Group and its investors.

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

GROUP'S KEY BUSINESSES

**EKSPRESS
MEEDIA**

AS Ekspress Meedia / Estonia

Ekspress Meedia publishes the internet portal Delfi with over 600 thousand monthly visitors, newspapers Eesti Ekspress, Eesti Põhvaleht and Maaleht, and magazine Maakodu. From 1 June 2018, seven magazines were transferred from Ajakirjade Kirjastus with over 43 000 subscribers.

DELFI

A/S Delfi / Latvia

Delfi Latvia, an internet portal with over 800 thousand monthly users, was recognised in 2017 as the most trustworthy news channel in Latvia.

Delfi

Delfi UAB / Lithuania

Delfi Lithuania has almost 1.3 million monthly users and it is recognised as the premier media partner for high profile business and sports events in Lithuania.

**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, free newspaper Linnaleht and internet portal õhtuleht.ee with over 300 thousand monthly users. On 1 June 2018, it merged with Ajakirjade Kirjastus and more than 10 magazines with 47 000 subscribers were transferred to it.

**adnet
media**

Adnet Media UAB / Estonia, Latvia, Lithuania

Adnet Media is the largest online advertising network in the Baltic States that offers modern programmatic advertising, audience and campaign optimisation.

altero

SIA Altero / Latvia, Lithuania

Financial comparison and brokerage platform in Latvia and starting from spring 2019 also in Lithuania. More than 90,000 Altero clients have compared financial offers for consumer loans, car loans and other products since the launch in June 2016. The company is a leading financial comparison service provider in Latvia and Lithuania.

BABAHH

Babahh Media OÜ / Estonia

Babahh Media provides a full range of professional video production, real-time and recorded video streaming, automation and video archive solutions.

KINNISVARA

Kinnisvarakeskkond OÜ / Estonia

Kinnisvarakeskkond develops a modern real estate portal kinnisvara24.ee in co-operation with local real estate agencies and it has over 23 thousand advertisements.

LINNA EKRAANID

Linna Ekraanid OÜ / Estonia

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

**Ds
dscreens.lv**

D Screens / 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 fiction, history books, autobiographies and memoirs, books for children, reference books and practical handbooks. Hea Lugu operates trademarks Maailm ja Mõnda, 100 Rooga, Õhtuõpik, Eesti Ekspressi Raamat, Eesti Põhvaleht, Maalehe Raamat and Raamat24.

printall

AS Printall / Estonia

One of the most modern printing companies in the Baltic States, Printall prints the majority of periodicals and advertising materials in Estonia. It also exports many of its products abroad.

**express
post**

AS Express Post / Estonia

Express Post is currently the only early-morning newspaper delivery company in Estonia that is also engaged in direct mail and home delivery of letters.

A detailed list of the group companies is disclosed in Note 1 to the financial statements.

OUR MEDIA BRANDS

Our web media portals:

Delfi

Information in a quick and convenient way for you – on a PC or a smart device.

Our weekly and daily newspapers with a strong digital outlet:

Õhtuleht **Maalet**
EESTI EKSPRESS **LP** **Linnaleht**
●●● **EestiPäevaleht**

Original and thorough treatment of hot topics.

E K S P R E S S G R U P P

We are the leading media group in the Baltic States whose activities primarily include web media content production, publishing of magazines and newspapers, publishing of books and provision of printing services.

Always high-quality and reliable.

Magazines with a strong web outlet

PEREKODU **Kalale!**
Kodukiri *anne & õpil* **Tervis!**
Naisteleht **Kroonika** **Nipiraamat**
NAINE **käsitöö** **Tiiu**
OmaMaitse **Eesti Ajalugu**

New ideas about hobbies and lifestyle of interest to you.

Our books:

HEA LUGU
Maalet **EESTI EKSPRESS**
●●● **EestiPäevaleht**

Adventures on your favourite topics.

Our other brands:

KINNISVARA  **BIJESU PARADIZE** 
altero **LOGIN**

Support that significant information reaches you in a convenient way and at the right time.

MANAGEMENT REPORT

MANAGEMENT'S COMMENTS

The revenue of AS Ekspress Grupp totalled EUR 13.9 million in the second quarter of 2020 which is 20% less than in the same period last year. The revenue for the first six months of the year totalled EUR 29.6 million which is 10% less as compared to 2019. The Group's performance in the 2nd quarter was significantly affected by the crisis months related to the spread of the coronavirus where the Group's advertising revenue decreased by ca 19% in Estonia and Latvia as compared to last year. The state of emergency related to COVID-19 has primarily impacted the operations of the Latvian ticket sales platform and the advertising sales of digital outdoor screens both in Estonia and Latvia. The revenue in these areas was at a minimum level in the second quarter.

The Group responded quickly to the crisis. We reduced the cost base (incl. wage cuts in almost all group companies) and applied for various public measures in order to alleviate the situation and prevent employee layoffs. While the advertising revenue showed signs of a recovery in the second quarter, the restrictions applying to events will continue to impact the operating volumes of the ticket business for several months and thus no fast recovery to the prior level is to be expected.

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp were EUR 1.65 million in the 2nd quarter which is EUR 0.01 million higher as compared to the 2nd quarter of 2019. In the first six months of the year, EBITDA totalled EUR 2.33 million, increasing by 3% year-over-year.

In an economic downturn, we adhered to the Group's long-term ambition to grow its digital revenue. We are close to meeting our targets for growing our digital revenue: by the end of the 2nd quarter, digital revenue made up 68% of the Group's media segment revenue and 46% of the Group's total revenue. The figures for the first six months of 2019 were 66% and 42%, respectively.

In the second quarter of 2020, the digital subscriptions of the periodicals of Ekspress Grupp grew strongly and reached 63 thousand subscribers in the Baltic States which is 26% more as compared to the year-end 2019. By the end of 2nd quarter of 2020, the number of digital subscriptions of the periodicals of Ekspress Grupp made up 53% of the volume of the entire market as reported by the Estonian Media Association¹. The growth in digital subscribers demonstrates clearly that we are able to offer reliable journalism both in ordinary as well as crisis circumstances. The so-called global digital transformation is also supporting the trend where consumers are more willing to pay for good video, audio or text content.

The Group's net profit for the 2nd quarter totalled EUR 0.58 million which is EUR 0.23 million higher than in the same period of 2019. The loss for the first six months of the year totalled EUR 0.16 million which is EUR 0.10 million less as compared to last year.

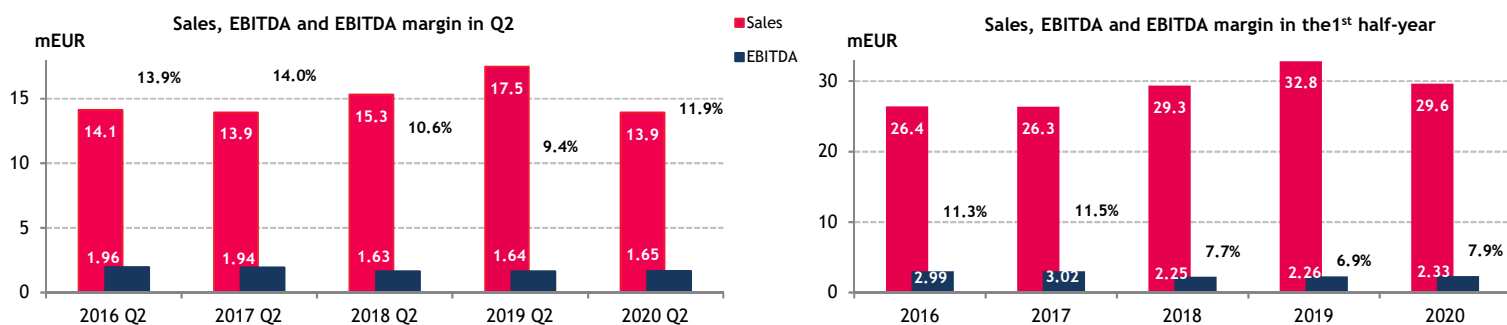
Despite the crisis months, the Group managed to improve its liquidity. By the end of June, the Group's cash totalled EUR 6.3 million (30.06.2019: EUR 1.5 million) which was positively impacted by the grace periods granted by banks, deferral of tax liabilities and the salary subsidy received from the Estonian Unemployment Insurance Fund. It is important for us to maintain our liquidity position as the future scope of the crisis related to the coronavirus is still unknown.

The forecasts call for a 10% decline in the GDP on average in the Baltic States this year. We are witnessing how the effects of the economic crisis related to the virus will also have a major impact on the Group in the third and fourth quarters. The Group's media companies, especially outdoor media and the ticket sales platform in Latvia are most vulnerable to future potential restrictions.

¹ <https://meedialiit.ee/meedialiit-sai-tais-100-000-digitellimust/>

SUMMARY OF THE RESULTS OF THE SECOND QUARTER AND FIRST HALF-YEAR

In accordance with International Financial Reporting Standards (IFRS), 50% joint venture should be recognised under the equity method in the consolidated financial statements. To provide a clearer uniform overview of the financial statements to the readers of the financial statements, from the 1st quarter of 2020, only the information relating to the joint ventures recognised under the equity method is presented in the financial statements and their results are shown as one line in the finance income.



REVENUE

The consolidated revenue for the 2nd quarter of 2020 totalled EUR 13.9 million (2nd quarter 2019: EUR 17.5 million). The revenue for the 2nd quarter decreased by 20% year-over-year. The revenue drop is primarily attributable to the deterioration of the business environment related to the COVID-19 state of emergency resulting in a decline in advertising and printing services revenue. The consolidated revenue for the first six months of 2020 totalled EUR 29.6 million (first six months of 2019: EUR 32.8 million). At the end of the 2nd quarter, digital revenue accounted for 46% of total revenue and 68% of the media segment revenue (at the end of 2nd quarter 2019, 42% of the total revenue and 66% of the media segment revenue, respectively). The consolidated revenue for the 2nd quarter of 2020 where joint ventures have been 50% consolidated line-by-line, totalled EUR 15.7 million (2nd quarter 2019: EUR 19.5 million) and the consolidated revenue for the first six months of 2020 totalled EUR 33.3 million (first six months of 2019: EUR 36.8 million).

PROFITABILITY

In the 2nd quarter of 2020, the consolidated EBITDA totalled EUR 1.65 million (2nd quarter 2019: EUR 1.64 million) and in the first six months of 2020, the consolidated EBITDA totalled EUR 2.33 million (first six months of 2019: EUR 2.26 million). In the 2nd quarter of 2020, EBITDA grew by 1% year-over-year and the EBITDA margin was 11.9% (2nd quarter 2019: 9.4%). In the second quarter of 2020, profitability was positively impacted by cost savings throughout the entire Group (incl. wage cuts) and the salary subsidy received from the Estonian Unemployment Insurance Fund in the amount of EUR 1.14 million, that will be accrued as income in the second, third and fourth quarters. The salary subsidy made up EUR 0.32 million of the EBITDA in the 2nd quarter of 2020. The net profit for the 2nd quarter of 2020 totalled EUR 0.58 million, which is EUR 0.23 million or 63 per cent higher than in the same period of 2019.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 6.3 million and equity in the amount of EUR 51.5 million (54% of total assets). The comparable figures as of 30 June 2019 were EUR 1.5 million and EUR 50.0 million (55% of total assets), respectively. As of 30 June 2020, the Group's net debt totalled EUR 16.3 million (30 June 2019: EUR 19.2 million). Due to the state of emergency related to COVID-19, the Group concluded an agreement with AS SEB Pank to suspend loan payments in the period March-August 2020 (EUR 1.20 million) and with AS Citadele banka to suspend loan payments in the period June-November 2020 (EUR 0.30 million). The salary subsidy received from the Estonian Unemployment Insurance Fund (EUR 1.14 million) and the postponement of the payment of tax arrears (EUR 1.60 million) due to the state of emergency for the period of 24 months had an additional positive impact on the Group's cash position.

BUSINESS OPERATIONS

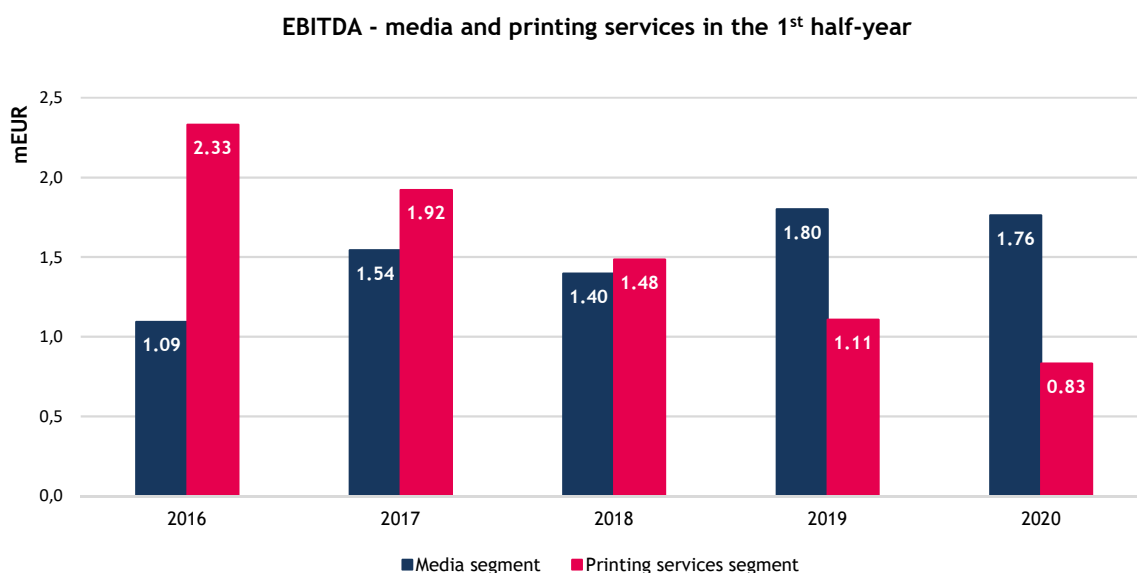
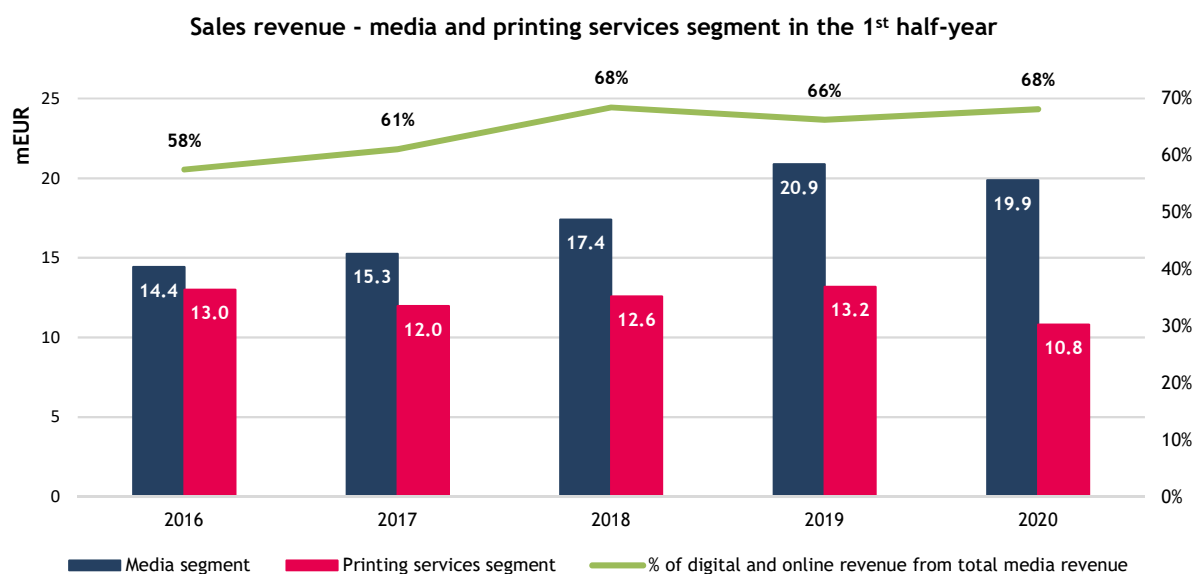
FINANCIAL INDICATORS AND RATIOS

In compliance with International Financial Reporting Standards (IFRS), 50% joint ventures must be recognised under the equity method in the consolidated financial statements.

| Performance indicators (EUR thousand) | Q2 2020 | Q2 2019 | Change % | 1 st Half year 2020 | 1 st Half year 2019 | Change % | 12 months 2019 |
|--|--------------|--------------|-------------|---|---|-------------|----------------------|
| For the period | | | | | | | |
| Sales revenue | 13 912 | 17 475 | -20% | 29 593 | 32 785 | -10% | 67 456 |
| EBITDA | 1 654 | 1 643 | 1% | 2 325 | 2 259 | 3% | 6 772 |
| EBITDA marginal (%) | 11.9% | 9.4% | | 7.9% | 6.9% | | 10.0% |
| Operating profit /(loss) | 678 | 621 | 9% | 319 | 264 | 21% | 2 722 |
| <i>Operating margin (%)</i> | <i>4.9%</i> | <i>3.6%</i> | | <i>1.1%</i> | <i>0.8%</i> | | <i>4.0%</i> |
| Interest expenses | (217) | (183) | -19% | (441) | (317) | -39% | (784) |
| Profit /(loss) of joint ventures under the equity method | 135 | 51 | 165% | 8 | 0 | 2038% | (38) |
| Net profit /(loss) for the period | 582 | 356 | 63% | (160) | (258) | 38% | 1 407 |
| Net margin (%) | 4.2% | 2.0% | | -0.5% | -0.8% | | 2.1% |
| <i>Return on assets (ROA) (%)</i> | <i>0.6%</i> | <i>0.4%</i> | | <i>-0.2%</i> | <i>-0.3%</i> | | <i>1.6%</i> |
| <i>Return on equity (ROE) (%)</i> | <i>1.1%</i> | <i>0.7%</i> | | <i>-0.3%</i> | <i>-0.5%</i> | | <i>2.8%</i> |
| Earnings per share (EPS) | 0.02 | 0.01 | | (0.01) | (0.01) | | 0.05 |

| Balance sheet (EUR thousand) | 30.06.2020 | 31.12.2019 | Change % |
|--|---------------|---------------|------------|
| As of the end of the period | | | |
| Current assets | 19 181 | 19 472 | -1% |
| Non-current assets | 75 945 | 75 935 | 0% |
| Total assets | 95 126 | 95 407 | 0% |
| <i>incl. cash and cash equivalents</i> | <i>6 306</i> | <i>3 647</i> | <i>73%</i> |
| <i>incl. goodwill</i> | <i>43 085</i> | <i>42 628</i> | <i>1%</i> |
| Current liabilities | 21 416 | 21 647 | -1% |
| Non-current liabilities | 22 239 | 22 137 | 0% |
| Total liabilities | 43 655 | 43 784 | 0% |
| <i>incl. borrowings</i> | <i>22 573</i> | <i>24 342</i> | <i>-7%</i> |
| Equity | 51 471 | 51 622 | 0% |

| Financial ratios (%) | 30.06.2020 | 31.12.2019 |
|---------------------------|------------|------------|
| Equity ratio (%) | 54% | 54% |
| Debt to equity ratio (%) | 44% | 47% |
| Debt to capital ratio (%) | 24% | 29% |
| Total debt/EBITDA ratio | 3.30 | 3.59 |
| Liquidity ratio | 0.90 | 0.90 |



SEGMENT OVERVIEW

The Group's activities are divided into two large segments - **media segment** and **printing services segment**.

The media segment includes the Group's activities in Estonia, Latvia and Lithuania. It comprises the operations of online portal Delfi, several other news portals providing online advertising network and programmatic sales solutions, digital outdoor advertising in Estonia and Latvia, publishing of the Estonian weekly newspapers Maaaleht, Eesti Ekspress and LP, publishing of the daily newspaper Päevaleht, publishing of books and magazines in Estonia and providing home delivery services. The media segment also includes organisation of the technology and innovation conference Login in Lithuania (since March 2019), operation of the electronic ticket sales platform (bilesuparadize.lv) and ticket sales sites in Latvia (since June 2019) and production studio for content creation in Lithuania.

The printing services segment includes AS Printall which one of the largest is printing companies in Estonia. We are able to print high-quality magazines, newspapers, advertising materials, product and service catalogues, yearbooks, paperback books and other publications in our printing plant.

Key financial indicators for segments

| (EUR thousand) | | | | Sales | | | |
|--|---------------|---------------|-------------|--------------------------------|--------------------------------|-------------|----------------|
| | Q2 2020 | Q2 2019 | Change % | 1 st Half year 2020 | 1 st Half year 2019 | Change % | 12 months 2019 |
| Media segment | 9 860 | 11 512 | -14% | 19 863 | 20 869 | -5% | 44 218 |
| <i>incl. revenue from all digital and online channels</i> | 7 021 | 7 775 | -10% | 13 526 | 13 829 | -2% | 30 534 |
| <i>incl. % of revenue from all digital and online channels</i> | 71% | 68% | | 68% | 66% | | 69% |
| Printing services segment | 4 569 | 6 610 | -31% | 10 813 | 13 180 | -18% | 25 695 |
| Corporate functions | 520 | 508 | 2% | 1 035 | 1 046 | -1% | 2 076 |
| Inter-segment eliminations | (1 037) | (1 155) | | (2 118) | (2 310) | | (4 533) |
| TOTAL GROUP | 13 912 | 17 475 | -20% | 29 593 | 32 785 | -10% | 67 456 |
| <i>incl. % of revenue from all digital and online channels</i> | 50% | 44% | | 46% | 42% | | 45% |

| (EUR thousand) | | | | EBITDA | | | |
|----------------------------|--------------|--------------|-----------|--------------------------------|--------------------------------|-----------|----------------|
| | Q2 2020 | Q2 2019 | Change % | 1 st Half year 2020 | 1 st Half year 2019 | Change % | 12 months 2019 |
| Media segment | 1 514 | 1 364 | 11% | 1 762 | 1 800 | -2% | 5 966 |
| Printing services segment | 248 | 558 | -56% | 831 | 1 108 | -25% | 2 032 |
| Corporate functions | (92) | (273) | 66% | (236) | (636) | 63% | (1 150) |
| Inter-segment eliminations | (16) | (7) | | (33) | (13) | | (75) |
| TOTAL GROUP | 1 654 | 1 643 | 1% | 2 325 | 2 259 | 3% | 6 772 |

| EBITDA margin | Q2 2020 | Q2 2019 | 1 st Half year 2020 | 1 st Half year 2019 | 12 months 2019 |
|---------------------------|------------|-----------|--------------------------------|--------------------------------|----------------|
| Media segment | 15% | 12% | 9% | 9% | 13% |
| Printing services segment | 5% | 8% | 8% | 8% | 8% |
| TOTAL GROUP | 12% | 9% | 8% | 7% | 10% |

Formulas used to calculate the financial ratios

| | |
|------------------------------------|--|
| EBITDA | Earnings before interest, tax, depreciation and amortisation. EBITDA does not include any impairment losses recognised during the period or result from restructuring. |
| EBITDA margin (%) | EBITDA/sales x 100 |
| Operating margin (%) | Operating profit /sales x100 |
| Net margin (%) | Net profit in financial statements/sales x100 |
| Earnings per share | Net profit / average number of 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 /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 |

MEDIA SEGMENT

ONLINE MEDIA

Important progress and significant accomplishments per country are listed below.

Estonia

- Eesti Ekspress had a major "coronavirus spring" collaboration project with Marat, the proceeds from which were donated to the Women's Support Centre.
- Delfi continued its successful social campaign "Don't Read While Driving".
- Ekspress Meedia revamped iOS applications.
- The online gala event of Kroonika entertainment prizes of drew a large audience.
- Digital subscriptions of Ekspress Meedia are growing at the fastest speed on the market.
- The most popular programme of Delfi's "Special Programme" podcast was listened to for 152,000 times.
- Delfi Estonia joined Facebook' fact-checking programme.
- More than 70 per cent, i.e. the majority of the population of Estonia followed Delfi in the crisis situation as is evident from the monitoring survey of Kantar Emor dealing with the state of emergency.
- The major multi-media solutions included [The Bronze Soldier](#), [The Estonian Conservative People's Party's Sausages are the Thickest](#), [Lenna Kuurmaa's Timeline](#), [The Ugly Houses of Tallinn](#), [The Timeline of the Precepts by the Political Parties Financing Surveillance Committee](#), [Breaking Bad the Estonian Way](#); opening pictures, animations, video loops, [WRC](#) graphs, [Paul Keres](#) quiz, [The Story of the Estonian Human Development Report](#), [Baby's Money Matters](#), [Olympic Regatta 1980](#).
- Õhtuleht Kirjastus attained a new digital subscriptions record and the new revenue record of its digital products portfolio.

Latvia

- D DELFI served as the main media partner for "Inokentijs Mārpls" Latvian movie, "Tā turpināt" and "Lai dzīvo visi" social initiatives, "Apturi Covid" anti Covid-19 mobile app.
- DELFI significantly increased the volume and quality of paid content during the COVID time, that helped in June to reach the level of 6 000 active monthly subscribers.
- [A new vertical product](#) about debunking fake news was launched.
- DELFI in cooperation with Baltic Media Excellence Centre has finished its first course for a young journalists [#Storygram](#)
- "Latvians trust Internet news portals as much as other traditional media combined", according to [a survey by research company Kantar TNS](#), the aim of which was to determine the level of public trust in various media during the Covid-19 pandemic. By the same research, DELFI was a stable number 1 for COVID topics searchers and more popular and trustful than Facebook or any other Latvian media, including State media segment.
- [DELFI also joined the Facebook fact-checking initiative.](#)
- [A series of digital concerts](#) was launched during the quarantine period.
- [A series of talk shows](#) about COVID influence on journalism freedom was launched supported by Baltic Media Excellence Centre.

Lithuania

- Delfi launched [social campaign for authors](#) fund and subscription revenue allocation to authors.
- Since the beginning of the pandemic, the Russian version of the Delfi news portal ru.delfi.lt has showed a [significant increase in the number of visitors](#).
- Delfi and Debunk EU project continued with educational program for fake news debunking, launching a localized version of [disinformation education game](#).
- Delfi achieved another record in number of Delfi Plus paid digital subscriptions.

In the 2nd quarter of 2020, the media segment revenue totalled EUR 9.9 million (2nd quarter 2019: EUR 11.5 million) and in the first six months of 2020, the revenue totalled EUR 19.9 million (first six months of 2019: EUR 20.9 million). In the 2nd quarter, the revenue fell by 14% year-over-year. The revenue drop was primarily related to lower advertising revenue due to the deterioration of the business environment as a result of the state of emergency related to COVID-19. In the 2nd quarter of 2020, advertising revenue fell by 19% year-over-year, primarily in Estonia and Latvia. The state of emergency related to COVID-19 has had the most profound impact on the Latvian ticket sales platform and the advertising sales of outdoor screens both in Estonia and Latvia.

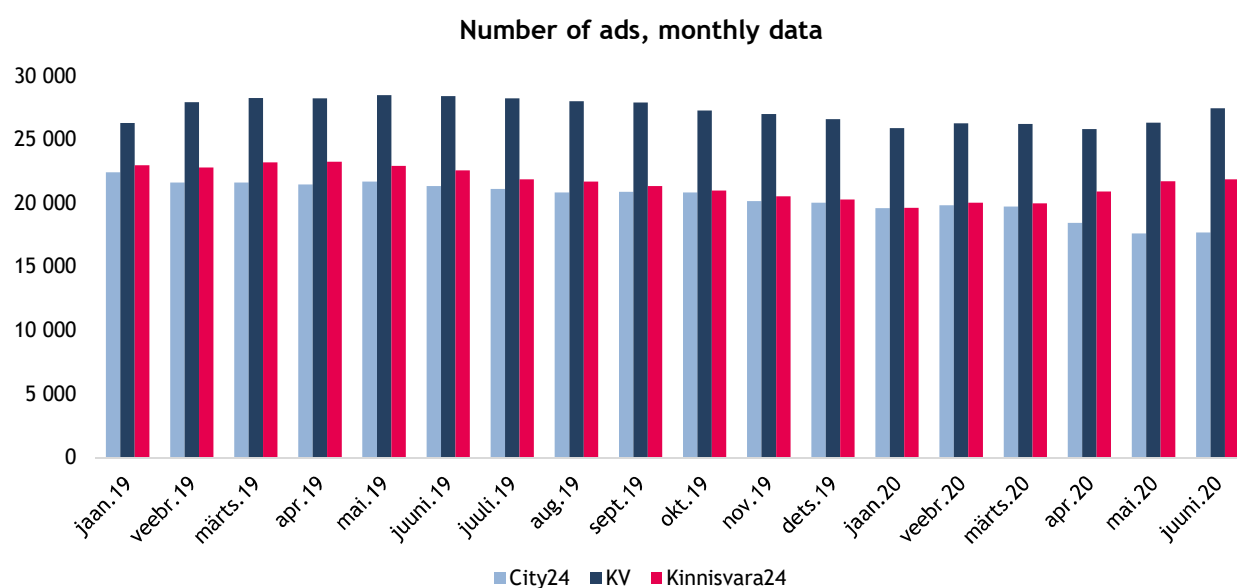
Digital media keeps growing and despite strong competition, the Group has not lost its market share. In the 2nd quarter of 2020, the Group's digital revenue accounted for 46% of the total revenue and 68% of the media segment revenue.

By the end of the 2nd quarter of 2020, the number of digital subscriptions reached EUR 63 thousand subscribers in the Baltic States (incl. subscribers of Õhtuleht Kirjastus AS: 100%), increasing by 26% as compared to the year-end 2019 when there were about 50 thousand digital subscriptions. At the end of the 2nd quarter of 2020, the Group's digital subscriptions accounted for 53% of the total market in Estonia.

The EBITDA of the media segment in the 2nd quarter of 2020 totalled EUR 1.5 million (2nd quarter 2019: EUR 1.4 million) and EBITDA in the first six months of 2020 was EUR 1.8 million (first six months of 2019: EUR 1.8 million). As compared to the 2nd quarter of the previous year, EBITDA increased by 11%. This was positively impacted by cost savings carried out throughout the Group and employee wage cuts as well as the salary subsidy received from the Estonian Unemployment Insurance Fund whose impact in the second quarter due to accruals into income (during the second, third and fourth quarters) is EUR 0.2 million.

The joint venture Õhtuleht Kirjastus AS, a key media company on the Estonian market is recognised under the equity method and included as a line item within finance income in the Group's results. In the 2nd quarter of 2020, the revenue of Õhtuleht Kirjastus AS totalled EUR 3.2 million (2nd quarter 2019: EUR 3.6 million) and in the first six months of 2020 it was EUR 6.7 million (first six months 2019: EUR 7.0 million). In the 2nd quarter of 2020, the media segment revenue, where joint ventures have been 50% consolidated line-by-line, was EUR 11.8 million (2nd quarter 2019: EUR 13.7 million) and in the first six months of 2020, revenue totalled EUR 23.8 million (first six months of 2019: EUR 25.2 million).

REAL ESTATE PORTAL



In the second quarter of 2020, Kinnisvara24.ee had a record number of visitors when people visited the portal for more than one million times in May and the number of visitors was more than 400 thousand. The latest figures represent the portal's new permanent level. As compared to the 1st quarter, the number of visitors increased by

over 50% in the second quarter and [Kinnisvara24.ee](https://kinnisvara24.ee) is slowly becoming the main portal that people use to find a home or an office.

As of the end of June, [Kinnisvara24.ee](https://kinnisvara24.ee) had 588 active real estate companies and 1,824 brokers who had joined the portal.

PRINTING SERVICES SEGMENT

In the 2nd quarter of 2020, the revenue of AS Printall totalled EUR 4.6 million (2nd quarter of 2019: EUR 6.6 million) and in the first six months of 2020, revenue totalled EUR 10.8 million (first six months of 2019: EUR 13.2 million). The 2nd quarter was primarily impacted by the state of emergency as a result of which revenue decreased by 31% as compared to last year. The revenue of printing services has declined in Estonia also due to the decline of the share of print media and advertising brochures of large store chains as well as stronger competition which put negative pressure on sales margins. In the 2nd quarter of 2020, EBITDA totalled EUR 0.25 million, including the allocated proportion of salary subsidy in the amount of EUR 0.09 million (2nd quarter 2019 EBITDA: EUR 0.56 million) and in first six months of 2020, EBITDA totalled EUR 0.8 million (first six months of 2019: EUR 1.1 million). In the 2nd quarter, EBITDA decreased 56% year-over-year.

For several consecutive years, the printing services segment has been under pressure due to continued digitalisation of regular journalism and increasing popularity of the Internet as compared to printed products. Competition concerning sales prices continues to be intense. The sales volumes of print circulations have declined which in turn has led to higher printing costs. In addition, appreciation of input prices (incl. labour, paper and electricity) is another major challenge.

In the first six months of 2020, the share of revenue of AS Printall in other countries was 63% (first six months of 2019: 62%).

In the 1st quarter, AS Printall completed the installation of semi-finished product collection systems for magazine web press and flow-feed systems for binding machines with loading equipment for semi-finished product that is the largest investment over the last several years and that was launched in 2019. As a result of the investment, the production process of the printing house has been significantly automated. After the installation of the equipment, AS Printall has automated the work of about 25 people who were laid off during the 1st quarter of 2020.

RESPONSIBILITY OF A MEDIA GROUP IN THE SOCIETY

Ekspress Group is the leading media group in the Baltic States. As a large publicly listed media company, the Group has a major impact in the society; therefore the credibility and integrity of all companies of Ekspress Group need to be safeguarded at all times. As the main creator of the open information space in the Baltic States and a large employer, the group companies need to be managed in a responsible manner, the employees valued and motivated, customer relations well maintained and the journalistic content reliable and independent.

Ekspress Group's responsibility manifests itself primarily in the following aspects:

- impact, role and responsibility of media's daily functioning,
- raising important issues from the social perspective,
- ensuring customer experience and satisfaction,
- being an employer to almost 1 700 people,
- additional contribution to the development of the society and the sector,
- conscious environmental management.

In its daily operations, the company follows the following principles:

- **Group companies are managed in an honest, law-abiding and ethical manner.** The parties related to Ekspress Group and the society at large expect that.
- **We raise the topics of importance to the society, draw attention to them, talk honestly and openly about them.** We draw attention to the initiatives that are important in the society both in the content of media coverage as well as through additional cooperation projects.

Public impact, role and responsibility of media companies

The main public impact, responsibility and opportunity to make a positive contribution come from the Group's media businesses - creation of a journalistic content, i.e. coverage of the viewpoints of various parties and comprehensive articles help fill the information space with valuable content. The society and readers expect independence, quality and credibility from Ekspress Group media companies.

Similarly to other media companies, Ekspress Group also has a task to take into account current social trends and media sector's developments when creating journalistic content:

- The society is becoming more polarised, there are widespread perceptions that deliberately try to disrupt both media and the society, and that are also vehemently oppose to which in turn increases readability of news in all channels;
- An increasingly greater variety of devices are used for media consumption, there is a trend from the computer screen to the mobile phone screen that sets requirements for technical solutions - the content of all periodicals needs to be consumable in different devices;
- The trend of media companies to enter new areas that support the media business: real estate and ticket sales portal, content marketing, event organisation.

Journalistic ethics starts with independence

The work of journalists and periodicals should not be influenced by business interests, political links, personal relations and gains, bribes or other benefits. The Group adheres to the principles of balanced journalism, various parties are allowed to express themselves and counter-arguments are permitted; source information is always verified and if necessary, each journalist needs to ensure source protection and confidentiality. In covering sensitive topics, it is important to recognise a line, the crossing of which is not ethical.

MEDIA RECOGNITIONS AND AWARDS IN 2020

Estonia

In March 2020, the winners of the competition of the **Estonian Newspaper Association "Newspaper awards 2019"** were announced. They include several employees and periodicals of Ekspress Group:

- The winner in the multimedia category was the article published in Delfi on 28 March 2019 "This is how films are made: take a look how the effect magic of "Truth and Justice" was born", whose authors are Ra Ragnar Novod, Heleri Kuris, Ats Nukki, Mart Nigola, Madis Veltman, Kristi Helme and Mihkel Ulk.



- In the feature article category, the winner was **Eero Epner** from Eesti Ekspress with his article published in Eesti Ekspress on 8 May 2019 "Because They Can". This article was also noticed and received recognition outside the media sector. Pärnu Women's Asylum handed out the prize Okas for the first time to recognise the people who help to prevent domestic violence. The prize Okas was awarded to Eesti Ekspress journalist **Eero Epner** who this year wrote the article "Because They Can" dealing with domestic violence that received a lot of media attention.
- In the news category, the winner was **Mikk Salu** for his article published in Eesti Ekspress on 13 February 2019 "The great lie: Rainer Vakra's thesis is plagiarism".
- The winners of the design award for the feature articles of national newspapers were **Ants Nukki** and **Tarmo Rajamets** for the article published in Eesti Ekspress on 8 May 2019 "Because they can".

- The winners in the category of the visual communication of national newspapers were **Eiko Ojala** and **Tarmo Rajamets** for the illustration of Eesti Ekspress on 11 December 2019 "Silencing of officials"



In February 2020, the journalists of Eesti Ekspress and the Estonian Broadcasting Company were awarded the 2019 **Bonnier prize** for investigative journalism. **Sulev Vedler** from Eesti Ekspress and **Anna Pihl** from the Estonian Broadcasting Company won the award for covering the topic of the listeria bacteria.

At the beginning of 2020, the winners of the press photo of the **Estonian Association of Press Photographers** were announced.



- The award for the feature photo was given to **Priit Simson** from Ekspress Meedia for his photo series "Different kinds of neighbours". The photo series was made of the houses seemingly "glued" to each other in Pelgulinna.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 30 June 2020, the company's share capital is EUR 17 878 105 and it consists of 29 796 841 shares with the nominal value of EUR 0.60 per share. The share capital and the total number of shares have remained unchanged since 31 December 2011.

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

Structure of shareholders as of 30 June 2020 according to the Estonian Central Register of Securities

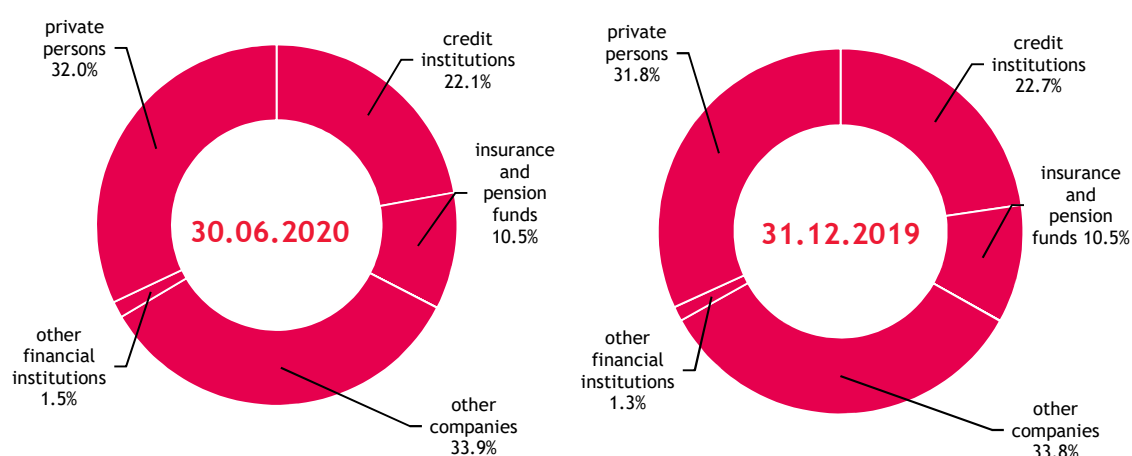
| Name | Number of shares | % |
|--|-------------------|---------------|
| Hans H. Luik and companies under his control | 17 436 597 | 58.52% |
| <i>Hans H. Luik</i> | 7 963 307 | 26.73% |
| <i>OÜ HHL Rühm</i> | 9 473 290 | 31.79% |
| ING Luxembourg S.A. | 4 002 052 | 13.43% |
| LHV Bank and funds managed by LHV Varahaldus | 2 552 254 | 8.57% |
| SEB S.A. CLIENT ASSETS UCITS | 1 262 194 | 4.24% |
| Other minority shareholders | 4 526 217 | 15.19% |
| Treasury shares | 17 527 | 0.06% |
| TOTAL | 29 796 841 | 100.0% |

East Capital Asset Management AB has an ownership interest through the nominee account of SEB S.A. CLIENT ASSETS UCITS. KJK Fund SICAV-SIF has an ownership interest through the account of ING Luxembourg S.A.

As of 30 June 2020, the ownership interest of Hans H. Luik as the ultimate beneficiary of AS Ekspress Grupp is 54.70% (16 299 802 shares).

Distribution of shareholders by category according to the Estonian Central Register of Securities

| Category | 30.06.2020 | | 31.12.2019 | |
|------------------------------|------------------------|-------------------|------------------------|-------------------|
| | Number of shareholders | Number of shares | Number of shareholders | Number of shares |
| Private persons | 2 825 | 9 545 189 | 2 613 | 9 473 567 |
| Other companies | 202 | 10 111 240 | 190 | 10 057 842 |
| Other financial institutions | 40 | 434 582 | 40 | 390 590 |
| Credit institutions | 11 | 6 587 237 | 11 | 6 756 249 |
| Insurance and pension funds | 8 | 3 118 174 | 8 | 3 118 174 |
| Non-profit organisations | 2 | 419 | 2 | 419 |
| TOTAL | 3 088 | 29 796 841 | 2 864 | 29 796 841 |



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 | EUR 0.60 |
| Issued shares | 29 796 841 |
| Listed shares | 29 796 841 |
| Date of listing | 05.04.2007 |

Payment of **dividends** is decided annually and it depends on the Group's results of operations, fulfilment of conditions laid down in the loan contract and potential investment needs. Over the last two years (incl. in 2020), the Group has not paid any dividends as the Group's goal is to continue with its investments in growing its digital business line. The long-term strategy of Ekspress Grupp foresees adoption of a primarily digital business model. As a result of the activities implemented over the last five years, the company depends less and less on the printing services.

Securities trading history 2016-2020

| Price (EUR) | 1 st Half year 2020 | 1 st Half year 2019 | 1 st Half year 2018 | 1 st Half year 2017 | 1 st Half year 2016 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Opening price | 0.83 | 1.03 | 1.26 | 1.32 | 1.35 |
| Closing price | 0.74 | 0.86 | 1.32 | 1.36 | 1.28 |
| High | 0.86 | 1.03 | 1.38 | 1.37 | 1.37 |
| Low | 0.59 | 0.80 | 1.22 | 1.26 | 1.18 |
| Average | 0.71 | 0.92 | 1.30 | 1.32 | 1.27 |
| Traded shares, pieces | 755 818 | 412 252 | 365 546 | 244 463 | 227 439 |
| Sales, EUR million | 0.54 | 0.38 | 0.47 | 0.32 | 0.29 |
| Capitalisation at balance sheet date, EUR million | 22.05 | 25.63 | 39.33 | 40.52 | 38.14 |

The price of the share of Ekspress Group (EEG1T) in euros and the trading statistics on NASDAQ Tallinn Stock Exchange from 1 January 2016 until 30 June 2020.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2016 until 30 June 2020.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE AND STRUCTURE

As a media group favouring independent and transparent journalism, keeping its trustworthy reputation is of great importance to Ekspress Group. This requires impeccable adherence to journalism ethics and general rules of conduct as well as laws.

In its business activities, Ekspress Groups proceeds from legal regulations in all of its markets (Estonia, Latvia and Lithuania), the Company's articles of association, as a publicly listed company from the requirements of Nasdaq Tallinn Stock Exchange, the guidelines of the Corporate Governance Code (CGC) and the equal treatment of its shareholders and investors. There is zero tolerance at the Group regarding conflict of interest, corruptive behaviour or dishonest competition.

Estonian media companies follow the code of ethics of the Estonian Newspaper Association and the Estonian Magazine Association; company-based ethics and behaviour codes are available at Delfi Latvia and Delfi Lithuania. In addition to ethical norms, Ekspress Group companies follow the local market's data protection, public information and other relevant laws in their media work. In unregulated situations, companies proceed from the public interest and integrity principle when making decisions. This is described in more detail in the financial statements' chapter "Responsibility of a media group in the society".

Corruption, ethics and various compliance risks are generally managed at the subsidiary level. To ensure uniform conduct, new employees of group companies are taught the company's business philosophy, journalism ethics, source protection, sales and marketing issues, staff principles and other necessary topics.

As honest conduct starts from the communication in one's organisation, several group companies have recently started to pay more targeted attention to making team cooperation, employee dialogue, information movement and assumption of personal responsibility more efficient.

At the Group level, regular information exchange takes place between the Management Board of the parent company of Ekspress Group and the senior management of subsidiaries. This ensures involvement of a larger circle of decision-makers and transparency in case of large-scale transactions, changes and decisions.

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

GROUP'S LEGAL STRUCTURE

As of 30 June 2020, the Group consists of 22 companies (31.12.2019: 24). A detailed list of group companies is disclosed in Note 1 to the financial statements.

Changes in the Group's legal structure

On **10 July 2019**, the wholly-owned subsidiary of AS Ekspress Grupp, UAB Adnet Media, adopted a decision to liquidate its wholly-owned subsidiary OÜ Adnet Media. The entry in the Commercial Registry was made on 27 February 2020.

On **2 January 2020**, the Supervisory Board of AS Ekspress Grupp decided to carry out several changes in the group structure in order to increase management efficiency and transparency, simplify the group structure and streamline the provision of corporate financial services.

The Supervisory Board decided to merge UAB Login Conferences with UAB Delfi (the entry in the Commercial Registry was made on 4 May 2020) and dissolve UAB Sport Media. In Latvia, SIA Delfi Entertainment was dissolved (the entry in the Commercial Registry was made on 28 February 2020). The dissolved companies were dormant. In Estonia, a new wholly-owned subsidiary OÜ Ekspress Finants was set up through a spin-off from AS Printall (the entry in the Commercial Registry was made on 27 March 2020) and the Group's financial unit will be combined with it. The new company will provide corporate finance and accounting services to the Group's subsidiaries in Estonia.

SIA Delfi Tickets Service, the 100% subsidiary of AS Ekspress Grupp, decided to merge subsidiaries SIA Bīlešu Paradīze and SIA Delfi Tickets. The merger was concluded for the purpose of simplifying the Group's management and legal structure. The entry in the Commercial Register was made on **14 February 2020**.

On **31 March 2020**, OÜ Hea Lugu, the 100% subsidiary of AS Ekspress Grupp, established with other publishers Eesti Audioraamatute Keskus OÜ, in which the ownership interest of OÜ Hea Lugu is 33.33%. The key activity of the company is publishing and sale of audio books.

Changes in the management of the Group's subsidiaries

On 24 March 2020, the Supervisory Board of AS Printall decided to extend the authority of the member of the Management Board Tõnis Peebo until 27 March 2023. The company's Management Board continues with its current three members: Andrus Takkin (Chairman of the Management Board), Evali Mülts and Tõnis Peebo.

On 16 April 2020, the Chairman of the Supervisory Board of AS Ekspress Grupp Ahto Päril stepped down from the position of the member of the Supervisory Board of AS Printall. The Supervisory Board of Printall will also continue with its four members: Hans H. Luik (Chairman), Mari-Liis Rüütsalu, Signe Kukin and Kaspar Hanni.

On 5 June 2020, the Supervisory Board of AS Ekspress Grupp decided to extend the authority of Tarvo Ulejev until 10 June 2023 and the authority of the member of the Management Board Erle Laak-Sepp until 12 July 2023. The company's Management will continue with its current five members: Argo Virkebau (Chairman of the Management Board), Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp and Karin Vene.

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 meeting of the shareholders of AS Ekspress Grupp was held on 17 June 2020 in the seat of the public limited company. All members of the Management Board participated in the meeting. The general meeting:

- approved the consolidated annual report and profit allocation proposal of AS Ekspress Grupp for 2019. Of the net profit for 2019 in the amount of EUR 1 394 thousand, the statutory capital reserve was increased by EUR 70 thousand and the remaining amount of EUR 1 324 thousand was taken to retained earnings.
- Priit Rohumaa was elected as member of the Supervisory Board of AS Ekspress Grupp for the term of five years until 16.06.2025.
- A decision was made to pay monthly remuneration of EUR 1 000 to member of the Supervisory Board of AS Ekspress Grupp Priit Rohumaa.
- OÜ KPMG Baltics was elected as the auditor of AS Ekspress Grupp for the period of 01.01.2020-31.12.2023.
- Proposals to amend the articles of association were approved.

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 company, 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 members of the Supervisory Board shall be elected by the General Meeting for a term of five years. Since 17 June 2020, the Supervisory Board of Ekspress Group has five members. At the general meeting of shareholders held on 17 June 2020, Priit Rohumaa was elected as a new member of the Supervisory Board and it was decided to change the procedure for paying remuneration to the members of the Supervisory Board. Since 17 June 2020, monthly remuneration paid to member of the Supervisory Board Priit Rohumaa is EUR 1 000. The other members of the Supervisory Board do not receive any remuneration. The Supervisory Board of AS Ekspress elected Priit Rohumaa as the new chairman and member of the Audit Committee beginning with 19 June 2020.

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.
- Viru Keemia Grupp AS, Chairman of the Management Board in 2009-2015
- Chairman of the Council of Arenguseire Keskus
- Member of the Supervisory Board of Tallinna Vesi AS, the alumnae association of Tallinn University of Technology, the European Business Angel Network in Brussels, the Estonian Business Angel Network, Nutshell Invest OÜ
- Bachelor's degree in energy and Master's degree from Tallinn University of Technology and Master's degree in international business management from the Estonian Business School.
- Number of shares of AS Ekspress Grupp: -.

Hans H. Luik (appointed until 20.05.2024)

- Member of the Supervisory Board since 1.06.2004
- Member of the Management Board of OÜ HHL Rühm
- Member of the Management Board of OÜ Minigert
- Graduated from University of Tartu in 1984 with a degree in journalism
- Number of shares of AS Ekspress Grupp: 16 299 802 (54.70%)

Indrek Kasela (appointed until 20.05.2024) - independent Supervisory Board member

- Member of the Supervisory Board since 20.06.2014
- Partner of the private equity fund Amber Trust
- Chairman of the Management Board of AS PRFoods
- Member of the Supervisory Board of AS Toode, ELKE Grupi AS, EPhaG AS and Salva Kindlustuse AS
- Graduated from New York University in 1996 with a Master's degree in law. Bachelor's degree from Tartu University in 1994, has a certificate in EU law from Uppsala University.
- Number of shares of AS Ekspress Grupp: -.

Peeter Saks (appointed until 26.10.2021) - independent Supervisory Board member

- Member of the Supervisory Board since 26.10.2016
- Managing partner of Baltics private equity and venture capital company AS BaltCap
- Member of the Management Board of BC EKT HoldCo OÜ and Surroundings OÜ
- Member of the Supervisory Board of AS Epler & Lorez, AS Adam Bd, Intrac Eesti AS, BPT Real Estate AS, Fitek AS, Eesti Keskkonnateenused AS, Radix Hoolduse OÜ, OÜ Kudjape Ümberlaadimisjaam and Radix Rent OÜ
- Graduated from Tallinn University of Technology in 1993, specialising in economics
- Number of shares of AS Ekspress Grupp: -.

Aleksandras Česnavičius (appointed until 26.10.2021) - independent Supervisory Board member

- Member of the Supervisory Board since 26.10.2016
- General Manager of Central European Media Enterprises Ltd. Romanian region
- Managing Director of Delfi Lithuania between 2011-2013
- Graduated from Vilniaus Universitetas in Lithuania with a PhD in Media in 2010
- Number of shares of AS Ekspress Grupp: -.

The Chairman of the Supervisory Board of AS Ekspress Grupp Ahto Päril who was member of the Supervisory Board and the Audit Committee of AS Ekspress Grupp since 22 November 2018, stepped down from the position of the member of the Supervisory Board and member of the Audit Committee of Ekspress Grupp as well as the member of the Supervisory Board of AS Printall on 16 April 2020.

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 one month's notice to the Supervisory Board. There are no agreements between Ekspress Group 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 Group has between one and five members. The Management Board of Ekspress Group has three members.

Mari-Liis Rüütsalu (appointed until 31.12.2022)



- Chairman of the Management Board and Chief Executive Officer of the Group since 01.01.2017, since 01.01.2020 the mandate has been extended for the next three years.
- 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: -.

Kaspar Hanni (appointed until 18.12.2020)



- Member of the Management Board since 18.12.2017, with the term of office of up to 3 years, Development Director of the Group
- Member of the board of the Estonian Business Angles Association since 2017
- Software Asset Management and Compliance Lead of Microsoft in Baltics 2015-2016
- Enterprise and Partner Group Lead of Microsoft in Baltics 2011-2015
- Graduated from Estonian Business School in 2002 with a degree in Business Administration and studied Information Technology at Tallinn University of Technology
- Number of shares of AS Ekspress Grupp: -.

Signe Kukin (appointed until 31.07.2021)



- Member of the Management Board since 01.08.2018, the term of office of up to 3 years, Chief Financial Officer of the Group
- Chief Financial Officer of AS Merko Ehitus 2012 - 2017
- In various positions of United Utilities International Ltd in Estonia, Great Britain and the Arab United Emirates 2001-2011
- 1997-2001 Deloitte, auditor
- Graduated from Tallinn University of Technology 1999 (diploma studies)
- Association of Chartered Certified Accountants - ACCA, Fellow Member - FCCA 2004
- Number of shares of AS Ekspress Grupp: -.

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. The supervisory and management boards of the AS Ekspress Group's wholly-owned subsidiaries as of 30 June 2020 is shown below:

| COMPANY* | SUPERVISORY BOARD | MANAGEMENT BOARD |
|------------------------------------|---|--|
| Printall AS (10 331 403) | Hans Luik (chairman), Kaspar Hanni, Signe Kukin, Mari-Liis Rüütsalu | Andrus Takkin (chairman), Evali Mülts, Tõnis Peebo |
| Ekspress Meedia AS (13 761 382) | Hans Luik (chairman), Mari-Liis Rüütsalu, Kaspar Hanni, Signe Kukin | Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Karin Vene |
| Delfi UAB (4 342 652) | Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin | Vytautas Benokraitis |
| SIA Biļešu Paradīze (569 312) | Mari-Liis Rüütsalu (chairman), Ēriks Naļivaiko, Signe Kukin, Konstantins Kuzikovs | Jānis Ķuzulis (chairman), Jānis Daube |
| Delfi A/S (Läti) (2 897 304) | Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin | Konstantins Kuzikovs (chairman), Ingus Bērziņš, Anatolijs Golubovs |

* The amount of share capital of the key subsidiary that is held by the owners of the parent company as of 31 March 2020 is shown in parentheses.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

| (EUR thousand) | 30.06.2020 | 31.12.2019 |
|--|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 6 306 | 3 647 |
| Trade and other receivables | 9 799 | 12 705 |
| Corporate income tax prepayment | 24 | 0 |
| Inventories | 3 053 | 3 120 |
| Total current assets | 19 181 | 19 472 |
| Non-current assets | | |
| Other receivables and investments | 1 002 | 975 |
| Deferred tax asset | 38 | 38 |
| Investments in joint ventures | 1 407 | 1 254 |
| Investments in associates | 2 274 | 2 356 |
| Property, plant and equipment (Note 4) | 14 561 | 14 943 |
| Intangible assets (Note 4) | 56 664 | 56 369 |
| Total non-current assets | 75 945 | 75 935 |
| TOTAL ASSETS | 95 126 | 95 407 |
| LIABILITIES | | |
| Current liabilities | | |
| Borrowings (Note 6) | 3 264 | 5 100 |
| Trade and other payables | 18 118 | 16 483 |
| Corporate income tax payable | 35 | 65 |
| Total current liabilities | 21 416 | 21 647 |
| Non-current liabilities | | |
| Long-term borrowings (Note 6) | 19 310 | 19 242 |
| Other long-term liabilities | 2 930 | 2 895 |
| Total non-current liabilities | 22 239 | 22 137 |
| TOTAL LIABILITIES | 43 655 | 43 784 |
| EQUITY | | |
| Minority shareholding | 108 | 100 |
| Capital and reserves attributable to equity holders of parent company: | | |
| Share capital (Note 10) | 17 878 | 17 878 |
| Share premium | 14 277 | 14 277 |
| Treasury shares (Note 10) | (22) | (22) |
| Reserves (Note 10) | 1 758 | 1 688 |
| Retained earnings | 17 472 | 17 701 |
| Total capital and reserves attributable to equity holders of parent company | 51 363 | 51 522 |
| TOTAL EQUITY | 51 471 | 51 622 |
| TOTAL LIABILITIES AND EQUITY | 95 126 | 95 407 |

The Notes presented on pages 33-45 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

| (EUR thousand) | Q2 2020 | Q2 2019 | 1 st Half year 2020 | 1 st Half year 2019 | 12 months 2019 |
|--|--------------|--------------|-----------------------------------|-----------------------------------|-------------------|
| Sales | 13 912 | 17 475 | 29 593 | 32 785 | 67 456 |
| Cost of sales | (11 598) | (14 126) | (25 070) | (27 223) | (54 044) |
| Gross profit | 2 315 | 3 349 | 4 523 | 5 562 | 13 412 |
| Other income | 552 | 170 | 659 | 289 | 607 |
| Marketing expenses | (531) | (894) | (1 288) | (1 625) | (3 124) |
| Administrative expenses | (1 602) | (1 969) | (3 495) | (3 906) | (8 024) |
| Other expenses | (56) | (35) | (80) | (56) | (148) |
| Operating profit /(loss) | 678 | 621 | 319 | 264 | 2 722 |
| Interest income | 6 | 6 | 12 | 12 | 22 |
| Interest expenses | (217) | (183) | (441) | (317) | (784) |
| Other finance income/(costs) | (12) | (25) | (28) | (44) | (61) |
| Net finance cost | (223) | (202) | (457) | (349) | (823) |
| Profit/(loss) on shares of joint ventures | 135 | 51 | 8 | 0 | (38) |
| Profit/(loss) on shares of associates | (8) | (16) | (28) | (75) | (114) |
| Profit /(loss) before income tax | 582 | 454 | (158) | (160) | 1 746 |
| Income tax expense | (1) | (97) | (2) | (98) | (339) |
| Net profit /(loss) for the reporting period | 582 | 356 | (160) | (258) | 1 407 |
| Net profit /(loss) for the reporting period attributable to | | | | | |
| Equity holders of the parent company | 575 | 354 | (168) | (263) | 1 394 |
| Minority shareholders | 7 | 2 | 8 | 5 | 13 |
| Total comprehensive income /(loss) | 582 | 356 | (160) | (258) | 1 407 |
| Comprehensive income /(loss) for the reporting period attributable to | | | | | |
| Equity holders of the parent company | 575 | 354 | (168) | (263) | 1 394 |
| Minority shareholders | 7 | 2 | 8 | 5 | 13 |
| Basic and diluted earnings per share (Note 8) | 0.02 | 0.01 | (0.01) | (0.01) | 0.05 |

The Notes presented on pages 33-45 form an integral part of the consolidated interim report.

Consolidated statement of changes in equity (unaudited)

| (EUR thousand) | Attributable to equity holders of parent company | | | | | Total | Minority interest | Total equity |
|---|--|---------------|-----------------|--------------|-------------------|---------------|-------------------|---------------|
| | Share capital | Share premium | Treasury shares | Reserves | Retained earnings | | | |
| Balance on 31.12.2018 | 17 878 | 14 277 | (22) | 1 688 | 16 526 | 50 347 | 87 | 50 434 |
| Adjustment on initial application of IFRS 16 (Note 2) | 0 | 0 | 0 | 0 | (219) | (219) | 0 | (219) |
| Restated balance on 01.01.2019 | 17 878 | 14 277 | (22) | 1 688 | 16 307 | 50 128 | 87 | 50 215 |
| Net profit / (loss) for the reporting period | 0 | 0 | 0 | 0 | (263) | (263) | 5 | (258) |
| <i>Total comprehensive income / (loss) for the reporting period</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>(263)</i> | <i>(263)</i> | <i>5</i> | <i>(258)</i> |
| Balance on 30.06.2019 | 17 878 | 14 277 | (22) | 1 688 | 16 044 | 49 865 | 92 | 49 957 |
| Balance on 31.12.2019 | 17 878 | 14 277 | (22) | 1 688 | 17 701 | 51 522 | 100 | 51 622 |
| Increase of statutory reserve capital | 0 | 0 | 0 | 70 | (70) | 0 | 0 | 0 |
| <i>Total transactions with owners</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>70</i> | <i>(70)</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| Other changes | 0 | 0 | 0 | 0 | 9 | 9 | 0 | 9 |
| Net profit / (loss) for the reporting period | 0 | 0 | 0 | 0 | (168) | (168) | 8 | (160) |
| <i>Total comprehensive income / (loss) for the reporting period</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>(168)</i> | <i>(168)</i> | <i>8</i> | <i>(160)</i> |
| Balance on 30.06.2020 | 17 878 | 14 277 | (22) | 1 758 | 17 472 | 51 363 | 108 | 51 471 |

The Notes presented on pages 33-45 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

| (EUR thousand) | 1 st Half year 2020 | 1 st Half year 2019 |
|--|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | |
| Operating profit for the reporting year | 319 | 264 |
| <u>Adjustments for:</u> | | |
| Depreciation, amortisation and impairment (Note 4) | 2 011 | 1 977 |
| (Gain)/loss on sale and write-down of property, plant and equipment | (3) | 2 |
| Cash flows from operating activities: | | |
| Trade and other receivables | 2 470 | (1 902) |
| Inventories | 68 | (77) |
| Trade and other payables | 1 515 | 2 182 |
| Cash generated from operations | 6 379 | 2 446 |
| Income tax paid | (56) | (140) |
| Interest paid | (306) | (317) |
| Net cash generated from operating activities | 6 017 | 1 989 |
| Cash flows from investing activities | | |
| Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees | (203) | (4 960) |
| Interest received | 1 | 12 |
| Purchase of property, plant and equipment and intangible assets (Note 4) | (1 037) | (1 352) |
| Proceeds from sale of property, plant and equipment and intangible assets | 29 | 4 |
| Loans granted | (98) | (78) |
| Loan repayments received | 0 | 301 |
| Net cash used in investing activities | (1 308) | (6 073) |
| Cash flows from financing activities | | |
| Dividends received | 150 | 0 |
| Payment of lease liabilities | (519) | (410) |
| Change in overdraft | (1 018) | 67 |
| Loans received / Repayments of bank loans (Note 6) | (662) | 4 667 |
| Net cash used in financing activities | (2 050) | 4 324 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | 2 659 | 240 |
| Cash and cash equivalents at the beginning of the year | 3 647 | 1 268 |
| Cash and cash equivalents at the end of the year | 6 306 | 1 507 |

The Notes presented on pages 33-45 form an integral part of the consolidated interim report.

SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1. General information

The main fields of activity of AS Ekspress Grupp and its subsidiaries include online media, publishing of newspapers, magazines and books and provision of printing services. AS Ekspress Grupp (registration number 10004677, address: Parda 6, 10151 Tallinn) is a holding company registered and operating in the Republic of Estonia. The Group consists of the subsidiaries, joint ventures and associates listed below.

The Management Board approved and signed these financial statements on 30 July 2020. The interim consolidated financial statements of AS Ekspress Grupp (hereinafter the Group) reflect the results of operations of the following group companies.

| Company name | Status | Ownership interest 30.06.2020 | Ownership interest 31.12.2019 | Main field of activity | Domicile |
|--|----------------|----------------------------------|----------------------------------|--|-----------|
| Operating segment: corporate functions | | | | | |
| Ekspress Grupp AS | Parent company | | | Holding company and support services | Estonia |
| Ekspress Finants OÜ | Subsidiary | 100% | - | Financing and book-keeping services (established in March 2020) | Estonia |
| Operating segment: media (online and print media) | | | | | |
| Ekspress Meedia AS | Subsidiary | 100% | 100% | Online media, publishing of daily and weekly newspapers | Estonia |
| Delfi A/S | Subsidiary | 100% | 100% | Online media | Latvia |
| D Screens SIA | Subsidiary | 100% | 100% | Sale of outdoor advertising | Latvia |
| Delfi Ticket Service SIA | Subsidiary | 100% | 100% | Holding company | Latvia |
| Delfi Tickets SIA | Subsidiary | - | 100% | Holding company (merged with SIA Biļešu Paradīze in February 2020) | Latvia |
| Biļešu Paradīze SIA | Subsidiary | 100% | 100% | Operation of the electronic ticket platform and box offices | Latvia |
| Altero SIA | Associate | 25.48% | 25.48% | Financial comparison and brokerage platform | Latvia |
| Delfi UAB | Subsidiary | 100% | 100% | Online media | Lithuania |
| UAB Login Conferences | Subsidiary | - | 100% | Organisation of technology and innovation conference (merged with Delfi UAB in May 2020) | Lithuania |
| Sport Media UAB | Subsidiary | 51% | 51% | Currently dormant | Lithuania |
| Hea Lugu OÜ | Subsidiary | 83% | 83% | Book publishing | Estonia |
| Eesti Audiokraamatute Keskus OÜ | Associate | 33.33% | - | Production and sale of audio books (established in March 2020) | Estonia |
| Adnet Media UAB | Subsidiary | 100% | 100% | Online advertising solutions and network | Lithuania |
| Adnet Media OÜ | Subsidiary | - | 100% | Online advertising solutions and network. Dissolved on 27 February 2020. | Estonia |
| Adnet Media SIA | Subsidiary | 100% | 100% | Online advertising solutions and network | Latvia |
| Videotinklas UAB | Subsidiary | 100% | 100% | Production studio for content creation | Lithuania |
| Õhtuleht Kirjastus AS | Joint venture | 50% | 50% | Newspaper and magazine publishing | Estonia |
| Express Post AS | Joint venture | 50% | 50% | Home delivery of periodicals | Estonia |
| Linna Ekraanid OÜ | Subsidiary | 100% | 100% | Sale of digital outdoor advertising | Estonia |
| Centra Ekрани SIA | Subsidiary | 100% | 100% | Currently dormant | Latvia |
| Babahh Media OÜ | Associate | 49% | 49% | Sale of video production, media and infrastructure solutions | Estonia |
| Kinnisvarakeskkond OÜ | Associate | 49% | 49% | Development of a real estate portal | Estonia |
| Operating segment: printing services | | | | | |
| Printall AS | Subsidiary | 100% | 100% | Printing services | Estonia |
| Operating segment: entertainment | | | | | |
| Delfi Entertainment SIA | Subsidiary | - | 100% | Dissolved on 28 February 2020 | Latvia |

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 2nd quarter and first half-year ended on 30 June 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements should be read together to the annual report for the financial year ended on 31 December 2019.

The Management Board estimates that the interim consolidated financial statements for the 2nd quarter and first half-year present a true and fair view of the Group's operating results, and all group companies are going concerns. These interim financial statements have neither been audited nor reviewed in any other way by auditors. These consolidated interim financial statements are presented in thousands of euros, unless otherwise indicated.

The accounting policies used for preparation of these financial statements are the same as those used for preparation of the Group's consolidated annual report for the year ended 31 December 2019.

From 1 January 2019, the Group applied IFRS 16 "Leases" for the first time, using the modified retrospective method according to which the cumulative effect of the first-time application is recognised in retained earnings on 1 January 2019. The changes in lease accounting are described below.

Leases

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, and their difference was recognised in retained earnings.

| (EUR thousand) | 1. January 2019 |
|---------------------|-----------------|
| Right-of-use assets | 3 077 |
| Lease liabilities | 3 296 |
| Retained earnings | (219) |

When measuring the lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 2.15%.

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.

This policy is applied to contracts entered into on or after 1 January 2019.

The Group as a lessee

At inception 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;
- the purchase price (when the purchase of the asset is sufficiently certain);
- 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. 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. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 3. Financial risk management

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

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

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

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

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 Group deposits its funds (incl. term deposits) in the following banks in the Baltic States:

| Bank | Moody`s | Standard & Poor`s |
|-------------|-----------|-------------------|
| SEB | Aa2 | A+ |
| Swedbank | Aa3 | A+ |
| Citadele | Ba1 | - |
| Luminor/LHV | Baa1/Baa1 | -/- |

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 or 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. While in Estonia invoices are generally paid when due, the usual practice in Latvia and especially in Lithuania is to pay invoices 1-3 months past their due date and not to consider it as a violation of the credit discipline. The largest subsidiaries 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. 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, particularly 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. The management estimates that there is no substantial credit risk in the loans to related parties due to their solid financial position.

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

Overdraft credit is used to finance working capital, long-term bank loans and finance 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. The Group has quite high leverage, thus liquidity risk management is one of the priorities of the Group.

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 taken by the Group are all tied to Euribor. The interest rate is fixed and the margin is zero.

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

| Type of interest | Interest rate | 30.06.2020 (EUR thousand) | <= 1 year | >1 year and <=5 years | > 5 years | Carrying amount |
|----------------------------------|----------------------------|------------------------------|-----------|--------------------------|-----------|-----------------|
| Fixed and floating interest rate | 0%+2.15%-3.90% | Loan | 2 458 | 11 310 | 0 | 13 768 |
| | 6.00% | Notes | 0 | 0 | 5 000 | 5 000 |
| | 6-kuu Euribor + 1.78-2.50% | Lease liability | 806 | 3 000 | 0 | 3 806 |
| | 1-kuu Euribor + 1.9% | Overdraft | 0 | 0 | 0 | 0 |

| Type of interest | Interest rate | 31.12.2019 (EUR thousand) | <= 1 year | >1 year and <=5 years | > 5 years | Carrying amount |
|----------------------------------|----------------------------|------------------------------|-----------|--------------------------|-----------|-----------------|
| Fixed and floating interest rate | 0%+2.15%-3.90% | Loan | 3 071 | 11 359 | 0 | 14 429 |
| | 6.00% | Notes | 0 | 0 | 5 000 | 5 000 |
| | 6-kuu Euribor + 1.78-2.50% | Lease liability | 1 011 | 2 884 | 0 | 3 894 |
| | 1-kuu Euribor + 1.9% | Overdraft | 1 018 | 0 | 0 | 1 018 |

Foreign exchange risk

The Group's operating activities have an international dimension and therefore, the Group is to some extent exposed to 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. Group companies are required to manage their foreign exchange risk with regard to the functional currency. The Group's income is primarily fixed in local currencies, i.e. the euros in Estonia, Latvia and Lithuania. The Group also pays most of its suppliers and employees in local currencies. The subsidiaries are typically required to use the euro as the currency in their foreign contracts. The subsidiary Printall exports outside of the euro-zone and it also issues invoices denominated in Norwegian kroner and Swedish kronor. In 2020, ca 1% (2019: ca 1%) of revenue was exposed to foreign exchange risk. The Russian clients pay also in Russian roubles, although the invoices issued have been denominated in euros and hence carry no exchange risk. The amounts received in foreign currencies are converted to 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 30 June 2020, the Group's foreign currency risk related to USD was EUR 282 thousand and to other currencies (SEK, NOK), EUR 24 thousand.

As of 31 December 2019, the Group's foreign currency risk related to USD was EUR 349 thousand and to other currencies (SEK, GBP, NOK), EUR 44 thousand.

Price risk

The price of paper affects the activities of the Group the most. By taking into consideration several criteria, the Group considers acceptance of paper price risk as the most optimal solution and does not consider it necessary to use derivative instruments to hedge this risk.

Operational risk

Operational risk is a possible loss caused by insufficient or non-functioning processes, employees and information systems or external factors.

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, reduces the possible occurrence of human errors and mistakes. The four-eye principle is also applied during negotiations related to purchase and sales as well as other transactions. Drafts of important agreements prepared by law offices are reviewed by the management and in-house lawyers. The management considers the legal protection of the Group to be good.

The management estimates that the dependence of the Group's activities on IT systems is higher than average and continuous investments are made to increase its security and reliability. The responsibility for managing operational risk lies with the Management Board of the Group and the management boards of the subsidiaries.

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) | 30.06.2020 | 31.12.2019 |
|------------------------------|------------|------------|
| Interest-bearing debt | 22 573 | 24 342 |
| Cash and bank accounts | 6 306 | 3 647 |
| Net debt | 16 267 | 20 695 |
| Equity | 51 471 | 51 622 |
| Total capital | 67 738 | 72 318 |
| Debt to capital ratio | 24% | 29% |
| Total assets | 95 126 | 95 407 |
| Equity ratio | 54% | 54% |

Note 4. Property, plant and equipment, and intangible assets

| (EUR thousand) | Property, plant and equipment | | Intangible assets | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 1 st Half year 2020 | 1 st Half year 2019 | 1 st Half year 2020 | 1 st Half year 2019 |
| Balance at beginning of the period | | | | |
| Cost | 41 551 | 35 422 | 75 854 | 65 854 |
| Accumulated depreciation and amortisation | (26 608) | (23 501) | (19 485) | (19 163) |
| Carrying amount | 14 943 | 11 921 | 56 369 | 46 691 |
| First-time adoption of IFRS 16 (Note 2) | 0 | 3 089 | 0 | 0 |
| Restated carrying amount | 14 943 | 15 010 | 56 369 | 46 691 |
| Acquisitions and improvements | 899 | 734 | 569 | 606 |
| Disposals (at carrying amount) | 0 | (7) | 0 | 0 |
| Write-down and write-off of non-current assets | 0 | (1) | 0 | 0 |
| Reclassification | 0 | (1) | 0 | 1 |
| Acquired through business combinations | 0 | 810 | 457 | 9 271 |
| Depreciation and amortisation | (1 280) | (1 485) | (730) | (492) |
| Balance at end of the period | | | | |
| Cost | 42 405 | 40 573 | 76 983 | 76 082 |
| Accumulated depreciation and amortisation | (27 844) | (25 512) | (20 319) | (20 005) |
| Carrying amount | 14 561 | 15 061 | 56 664 | 56 077 |

Note 5. Intangible assets

Intangible assets by type

| (EUR thousand) | 30.06.2020 | 31.12.2019 |
|--------------------------------|---------------|---------------|
| Goodwill | 43 085 | 42 628 |
| Trademarks | 8 970 | 9 218 |
| Other intangible assets | 4 609 | 4 523 |
| Total intangible assets | 56 664 | 56 369 |

Note 6. Bank loans and borrowings

| (EUR thousand) | Total amount | Repayment term | | |
|---------------------------------|---------------|----------------|-------------------|-------------------|
| | | Up to 1 year | Between 1-5 years | More than 5 years |
| Balance as of 30.06.2020 | | | | |
| Overdraft | 0 | 0 | 0 | 0 |
| Long-term bank loans | 13 768 | 2 458 | 11 310 | 0 |
| Notes | 5 000 | 0 | 0 | 5 000 |
| Lease liability | 3 806 | 806 | 3 000 | 0 |
| Total | 22 573 | 3 264 | 14 310 | 5 000 |
| Balance as of 31.12.2019 | | | | |
| Overdraft | 1 018 | 1 018 | 0 | 0 |
| Long-term bank loans | 14 429 | 3 071 | 11 359 | 0 |
| Notes | 5 000 | 0 | 0 | 5 000 |
| Lease liability | 3 894 | 1 011 | 2 884 | 0 |
| Total | 24 342 | 5 100 | 14 242 | 5 000 |

Due to the state of emergency related to COVID-19, the Group concluded an amendment to the loan agreement of AS SEB Pank and AS Printall, which suspended the principal repayments between March and August 2020 (the principal repayments of the loan for these periods will be paid at the end of the payment schedule together with the final payment) and an amendment to the loan agreement of AS Citadele banka and SIA Biļešu Paradīze, which suspended the principal repayments between June and November 2020 (the principal repayments of the loan for these periods will be divided equally between the remaining repayments).

Note 7. Segment reporting

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

Media segment: management of online news portals and classified portals, advertising sales in own portals in the Baltics and publishing of newspapers, magazines, customer and advertising fliers, publishing and publication of books as well as sale of digital outdoor advertising in Estonia and Latvia. The media segment also includes organisation of the technology and innovation conference *Login* in Lithuania and operation of the electronic ticket sales platform (bilesuparadize.lv) and box offices in Latvia, and production studio for content creation in Lithuania.

This segment includes subsidiaries Ekspress Meedia AS (Estonia), AS Delfi (Latvia), UAB Delfi (Lithuania), Delfi Holding SIA (Latvia), OÜ Hea Lugu (Estonia), D Screens SIA (Latvia), Adnet Media (Lithuania, Estonia, Latvia) and Linna Ekraanid OÜ (Estonia - 100% ownership since March 2019), UAB Login Conferences (Lithuania - from March 2019; from

May 2020 merged with Delfi UAB), SIA Biļešu Paradīze (Latvia - from June 2019) and Videotinklas UAB (Lithuania - 100% ownership since August 2019).

This segment also includes the joint ventures AS Ajakirjade Kirjastus (until its reorganisation on 1 June 2018), AS Õhtuleht Kirjastus, Linna Ekraanid OÜ (until acquisition of an additional ownership interest on 1 March 2019) and AS Express Post engaged in home delivery of periodicals. Joint ventures are not consolidated line-by-line; however some tables include their results and impact on the Group's figures.

The revenue of the **media segment** is derived from sale of advertising banners and other advertising space and products in its own portals, 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 as well as sale of digital outdoor advertising in Estonia, Latvia and Lithuania.

Printing services: rendering of printing and related services. This segment includes the group company AS Printall. The printing house is able to print high-quality magazines, newspapers, advertising materials, product and service catalogues, yearbooks, paperback books and other publications in our printing plant.

Segment revenue is derived from the sale of paper and printing services.

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, accounting and IT services to its group companies.

The Management Board assesses the performance of the operating segments based on revenue, EBITDA and the EBITDA margin. Volume-based and other fees payable to advertising agencies have not been deducted from the advertising sales of segments, because the Group's management monitors the gross income of companies and segments. Discounts and volume rebates are reported as a reduction of the consolidated sales revenue and are shown in the aggregate line of eliminations. 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.

| Q2 2020 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|--|-------|-------------------|---------------------|--------------|-------------|
| Sales to external customers (subsidiaries) | 9 847 | 3 996 | 69 | 0 | 13 912 |
| Inter-segment sales | 13 | 573 | 451 | (1 037) | 0 |
| Total segment sales | 9 860 | 4 569 | 520 | (1 037) | 13 912 |
| EBITDA (subsidiaries) | 1 514 | 248 | (92) | (16) | 1 654 |
| EBITDA margin (subsidiaries) | 15% | 6% | | | 12% |
| Depreciation (subsidiaries) (Note 4) | | | | | 972 |
| Operating profit /(loss) (subsidiaries) | | | | | 678 |
| Investments (subsidiaries) (Note 4) | | | | | 422 |

| 1 st Half year 2020 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|--|--------|-------------------|---------------------|--------------|-------------|
| Sales to external customers (subsidiaries) | 19 829 | 9 609 | 154 | 0 | 29 593 |
| Inter-segment sales | 34 | 1 203 | 881 | (2 118) | 0 |
| Total segment sales | 19 863 | 10 813 | 1 035 | (2 118) | 29 593 |
| EBITDA (subsidiaries) | 1 762 | 831 | (236) | (33) | 2 325 |
| EBITDA margin (subsidiaries) | 9% | 9% | | | 8% |
| Depreciation (subsidiaries) (Note 4) | | | | | 2 011 |
| Operating profit /(loss) (subsidiaries) | | | | | 319 |
| Investments (subsidiaries) (Note 4) | | | | | 1 467 |

| Q2 2019 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|--|--------|----------------------|------------------------|--------------|----------------|
| Sales to external customers (subsidiaries) | 11 512 | 5 868 | 95 | 0 | 17 475 |
| Inter-segment sales | 0 | 742 | 413 | (1 155) | 0 |
| Total segment sales | 11 512 | 6 610 | 508 | (1 155) | 17 475 |
| EBITDA (subsidiaries) | 1 364 | 558 | (273) | (7) | 1 643 |
| EBITDA margin (subsidiaries) | 12% | 10% | | | 9% |
| Depreciation (subsidiaries) (Note 4) | | | | | 1 015 |
| Operating profit /(loss) (subsidiaries) | | | | | 621 |
| Investments (subsidiaries) (Note 4) | | | | | 744 |

| 1 st Half year 2019 (EUR thousand) | Media | Printing services | Corporate functions | Eliminations | Total Group |
|--|--------|----------------------|------------------------|--------------|----------------|
| Sales to external customers (subsidiaries) | 20 865 | 11 741 | 179 | 0 | 32 785 |
| Inter-segment sales | 4 | 1 439 | 867 | (2 310) | 0 |
| Total segment sales | 20 869 | 13 180 | 1 046 | (2 310) | 32 785 |
| EBITDA (subsidiaries) | 1 800 | 1 108 | (636) | (13) | 2 259 |
| EBITDA margin (subsidiaries) | 9% | 9% | | | 7% |
| Depreciation (subsidiaries) (Note 4) | | | | | 1 977 |
| Operating profit /(loss) (subsidiaries) | | | | | 264 |
| Investments (subsidiaries) (Note 4) | | | | | 1 340 |

Note 8. Earnings per share

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

| EUR | Q2 2020 | Q2 2019 | 1 st Half year 2020 | 1 st Half year 2019 |
|---------------------------------------|------------|------------|-----------------------------------|-----------------------------------|
| Profit attributable to equity holders | 575 327 | 354 344 | (167 957) | (263 207) |
| Average number of ordinary shares | 29 779 314 | 29 779 314 | 29 779 314 | 29 779 314 |
| Basic and diluted earnings per share | 0.02 | 0.01 | (0.01) | (0.01) |

As the Group had no instruments diluting earnings per share as of 30 June 2020 and 31 December 2019 diluted net profit per share was equal to regular net profit per share.

Note 9. Share option plan

In June 2017, the General Meeting of Shareholders approved the share option plan of new key employees.

As of 30 June 2020, 773 thousand options have been issued in the framework of this stock option plan (as of 31.12.2019: 775 thousand options), each of which grants the right to receive one share of the company free of charge. As a rule, 1/3 of the options can be earned in each calendar year. Equity options can be used from December 2020.

Equity options are cash-settled share-based payments. When entering into contracts, options were accounted for at their fair value and reported on the one hand in the profit or loss statement as labour costs and, on the other hand, as a liability. As of 30 June 2020, the liability of the mentioned stock option amounted to EUR 720 thousand (31.12.2019: EUR 685 thousand).

The fair value of the equity option is found by using the Black-Scholes-Merton model. Assumptions used in the model: the price of the share upon issue of the option: EUR 0.67-1.35, dividend rate: EUR 0.00-0.07 per share, risk-free interest rate: 0.69%, option term: 3 years, standard deviation: 2.43%.

In order to meet the obligations related to the options, the company will buy shares from the market. Key employees have the right to sell their shares within two to three months after the sale of the options to the company and the company is required to repurchase these shares. Shares are redeemed based on their current market value.

Note 10. Equity and dividends

Share capital and share premium

As of 30 June 2020 and 31 December 2019, the share capital of AS Ekspress Grupp is EUR 17 878 105 and it consists of 29 796 841 shares with the nominal value of EUR 0.60 per share. The maximum amount of share capital as stipulated by the articles of association is EUR 25 564 656.

Treasury shares

Within the framework of the CEO's share option plan which was in place in 2013-2016, the company purchased treasury shares. As of 30 June 2020, the Company had 17 527 treasury shares in the total amount of EUR 22 thousand to be used for the current share option plan.

Dividends

In June 2020, due to the company's liquidity position, the Annual General Meeting of Shareholders decided not to pay dividends in 2020. As of 30 June 2020, it is possible to distribute dividends without income tax payment in the total amount of EUR 24.3 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) | EUR | |
|---|--------------|--------------|
| | 30.06.2020 | 31.12.2019 |
| Statutory reserve capital | 1 119 | 1 049 |
| Additional cash contribution from shareholder | 639 | 639 |
| Total reserves | 1 758 | 1 688 |

Note 11. 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) | 1 st Half year 2020 | 1 st Half year 2019 |
|--|--------------------------------|--------------------------------|
| Sales of goods | | |
| Members of Supervisory Board and companies related to them | 1 | 4 |
| Associated | 81 | 65 |
| Joint ventures | 609 | 742 |
| Total sale of goods | 691 | 811 |

| PURCHASES (EUR thousand) | 1 st Half year 2020 | 1 st Half year 2019 |
|--|--------------------------------|--------------------------------|
| Purchase of services | | |
| Members of Management Board and companies related to them | 10 | 10 |
| Members of Supervisory Board and companies related to them | 200 | 236 |
| Associates | 16 | 42 |
| Joint ventures | 511 | 682 |
| Total purchases of services | 737 | 970 |

| RECEIVABLES (EUR thousand) | 30.06.2020 | 31.12.2019 |
|--|------------|------------|
| Short-term receivables | | |
| Members of Supervisory Board and companies related to them | 0 | 9 |
| Associates | 54 | 67 |
| Joint ventures | 108 | 107 |
| Total short-term receivables | 162 | 183 |
| Long-term receivables | | |
| Associates | 120 | 115 |
| Total long-term receivables | 120 | 115 |
| Total receivables | 281 | 297 |

| LIABILITIES (EUR thousand) | 30.06.2020 | 31.12.2019 |
|--|------------|------------|
| Current liabilities | | |
| Members of Management Board and companies related to them | 1 | 2 |
| Members of Supervisory Board and companies related to them | 51 | 10 |
| Joint ventures | 119 | 116 |
| Total liabilities | 172 | 128 |

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 the 1st half-year of 2020, a payment of EUR 26 thousand (1st half-year 2019: EUR 30 thousand) was paid for the personal guarantee and there are no outstanding liabilities as of 30 June 2020 and 31 December 2019.

Remuneration of members of the Management Boards of the consolidation group

| (EUR thousand) | 1 st Half year 2020 | 1 st Half year 2019 |
|--|--------------------------------|--------------------------------|
| Salaries and other benefits (without social tax) | 814 | 813 |
| Termination benefits (without social tax) | 0 | 16 |
| Share option | 34 | 43 |
| Total (without social tax) | 848 | 873 |

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 8 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 30 June 2020, the maximum gross amount of potential Key Management termination benefits was EUR 701 thousand (31.12.2019: EUR 699 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 12. Contingent assets and liabilities

On 28 April 2020, Harju County Court forwarded a statement of claim of AS MM Grupp to AS Ekspress Meedia, in which AS MM Grupp demands EUR 2.0 million from AS Ekspress Meedia for compensation of non-patrimonial or alternatively future patrimonial damages caused by the publication of allegedly false factual allegations. AS Ekspress Meedia considers the claim to be without perspective.