



Printall strategic alternatives assessment

Extraordinary General Meeting of Shareholders

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

13 July 2021





OUR MISSION:
To serve democracy

OUR OBJECTIVES

- 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
- To act with social responsibility in mind and build **a strong and trusted brands**
- Increase **the value of the company** for our shareholders

OUR 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.

Printall strategic alternatives assessment

PROCESS OVERVIEW

- **Printall strategic alternatives assessment launched in December 2020**
 - Assessment process led by Porta Finance
 - Among other we considered alternatives for continuing the business as is, sale of Printall operations, sale-leaseback of Printall real estate, and potential mergers
- **Over 50 potential buyers contacted in total as part of a competitive controlled auction process**
 - Including both local and international strategic, financial, and real estate investors
 - Offers in a range of 6.3 – 10 million euros were received.

RESULT OF THE PROCESS

- **The alternatives assessment concluded that the value maximizing option for Ekspress Grupp is sale of Printall to Trükitung OÜ, an entity controlled by Hans Luik**
- **Key terms of the proposed transaction:**
 - Sale of 100% of Printall AS to Trükitung OÜ
 - Enterprise Value¹ €10m
 - €1m of sales price will depend on the results of Printall's 2025 FY, from which €0.7m is deferred component due in 2026
 - Implied EV/EBITDA'20 of 5.6x before state subsidies²
 - Continuing co-operation with Ekspress Grupp at market terms

Notes: 1 Enterprise Value – value of the business on debt-free and cash-free basis

2 Printall's 2020 reported EBITDA €2.1m, including state subsidies €0.3m. EBITDA before state subsidies €1.8m

TRANSACTION HIGHLIGHTS

- Full exit from a business sector that doesn't match with group's strategy and sector with a significant CAPEX requirements
- Release of capital for financing Ekspress Grupp's continued growth in digital media
- Attractive valuation comparing favorably with previous M&A transactions in printing sector in Europe
- Good co-operation protection between the parties post transaction
- Deal certainty with closing planned in Q3 2021
- The management and supervisory boards of Ekspress Grupp have assessed the process of preparing for the transaction, as well as its economic benefit and key terms. Taking this into account, the management and supervisory boards deem the transaction to be a prudent and reasonable course of action and has been approved by both.¹

Notes: ¹ Hans Luik did not participate in supervisory board vote on the transaction, as required by related regulations

TRANSACTION IMPACT ON EKSPRESS GRUPP RESULTS *(pro-forma as at 31 May 2021)*

- Assets – €7.2m (decrease)
- Liabilities - €5.0m (decrease)
- One-off net loss of discontinued operations – €2.2m

Appendixes

AS PRINTALL

<i>(EUR thousand)</i>	31.05.2021	31.12.2020
ASSETS		
Current assets		
Cash and cash equivalents	13	623
Trade and other receivables	2 741	2 289
Inventories	2 354	2 456
Total current assets	5 109	5 369
Non-current assets		
Property, plant and equipment	9 934	10 041
Intangible assets	1 524	1 545
Total non-current assets	11 459	11 586
TOTAL ASSETS	16 568	16 955
LIABILITIES		
Current liabilities		
Borrowings	2 625	2 341
Trade and other payables	1 798	1 528
Total current liabilities	4 423	3 869
Non-current liabilities		
Long-term borrowings	827	2 109
Total non-current liabilities	827	2 109
TOTAL LIABILITIES	5 250	5 978
EQUITY		
Share capital	383	383
Reserves	436	436
Retained earnings	10 498	10 157
TOTAL EQUITY	11 318	10 977
TOTAL LIABILITIES AND EQUITY	16 568	16 955

AS PRINTALL

<i>(EUR thousand)</i>	01-05.2021	2020
Sales	8 437	21 384
Cost of sales	-7 387	-19 078
Gross profit	1 050	2 306
Other income	2	350
Marketing expenses	-359	-877
Administrative expenses	-293	-786
Other expenses	-5	-19
Operating profit /(loss)	395	974
Interest income	0	120
Interest expenses	-47	-137
Other finance income/(costs)	-7	-20
Net finance cost	-54	-37
Net profit /(loss) for the reporting period	341	936