

REMUNERATION REPORT

The remuneration policy will be presented to the shareholders at the annual general meeting to be held in Q2 2022 (specific date and time to be clarified). The remuneration policy will describe the main principles of Ekspress Grupp's remuneration of the supervisory board, committees and the management board, as well as the decision-making process complied with when approving, assessing, and implementing the remuneration policy. The remuneration policy is intended to remain in place for four years. The Remuneration Policy will comply with the recommendations of the Estonian Securities Market Act (§ 135³), Corporate Governance Recommendations (clause 2.2.7) and the Shareholders' Rights Directive (EU 2017/828; Art 9b) legislation. The policy will be guiding and steering document for approving future remuneration agreements.

Financial key metrics (continuing + discontinued operations)

(EUR thousand)	2021	2020	change	2019	2018	2017
Sales revenue	65 083	63 243	3%	67 456	60 489	54 070
EBITDA	9 444	7 004	35%	6 772	4 263	6 261
Number of digital subscriptions	134 947	83 185	62%	50 049	29 431	21 545
Total group salary cost (gross)	24 985	23 199	8%	22 834	19 462	17 878
Average monthly salary (gross) per employee	2.24	2.00	12%	1.93	1.77	1.67
Average number of employees	837	876	-5%	896	839	820
Remuneration (gross) of Ekspress Grupp management board:						
Mari-Liis Rüütsalu - chairman of the board since 01.01.2017	225	205	10%	144	144	120
Signe Kukin - chief financial officer since 01.08.2018	163	138	19%	98	41	-
Kaspar Hanni - development director since 18.12.2017	131	91	43%	72	72	3

Financial key metrics (continuing operations)

(EUR thousand)	2021	2020	change
Sales revenue	53 516	44 514	20%
EBITDA	8 240	5 924	39%
Number of digital subscriptions	134 947	83 185	62%
Total group salary cost (gross)	22 410	19 169	17%
Average monthly salary (gross) per employee	2.33	2.13	10%
Average number of employees	719	674	7%
Remuneration (gross) of Ekspress Grupp management board:			
Mari-Liis Rüütsalu - chairman of the board since 01.01.2017	225	205	10%
Signe Kukin - chief financial officer since 01.08.2018	163	138	19%
Kaspar Hanni - development director since 18.12.2017	131	91	43%

Overview of remuneration at Ekspress Grupp

In accordance with our strategy, we build sustainable growth by being part of the opportunities presented by the digital transformation. The objective is to increase shareholder value through revenue growth and improved

profitability. Ekspress Grupp is developing and expanding its current business operations and seeking growth opportunities in new digital businesses. The group's remuneration is aimed at promoting the long-term financial success, competitiveness, and the development of shareholder value.

The group aims to have reasonable, well balanced, and competitive remuneration packages that attract and retain talented employees that are crucial to our business.

Ekspress Grupp remuneration

Shareholder value creation through revenue growth and improved profitability

Motivates our people and supports to retain and recruit the top talent

Promotes the strategy execution and management by key results

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

The remuneration of employees across the company is reviewed regularly to secure its competitiveness in the context of market and to attract and retain talent.

Supervisory board and committee's remuneration

Decision-making

The remuneration of supervisory board members is approved by shareholders at the General Meeting. No fees or additional remuneration is paid for work carried out in different committees.

The supervisory board members are not in an employment relationship with the company.

2021 remuneration

Based on the decision of the annual general meeting of shareholders held on 17 June 2020, Priit Rohumaa (Chairman of supervisory board) is entitled to a monthly remuneration of EUR 1 000 (annual remuneration of EUR 12 000). The other members of the Supervisory Board do not receive any remuneration. No other fees are paid for the participation in the work of Audit Committee.

Management board remuneration

Decision-making

The supervisory board is responsible for preparing the remuneration policy for the management board. The supervisory board is responsible for identifying and proposing revisions to the remuneration policy to ensure the policy is fit for purpose. The supervisory board decides on the remuneration and other terms of the service contract of the management board.

The remuneration policy will be submitted for adoption to the AGM at least every four years, as well as in case of material amendments to the policy. To avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration.

Remuneration elements

Management board remuneration is comprised of the following elements: a fixed salary, a short-term incentive paid annually in cash, a long-term incentive in the form of shares and other benefits.

Remuneration elements

Fixed salary: shall be reasonable, balanced, competitive and represent a significant component of compensation

Short-term incentive: cash incentive for the achievement of specific annual goals that are aligned to the strategy

Long-term incentive: aligns the interest of board members with those of shareholders by granting share options

Other: benefits in kind in line with common market practice, such as mobile, laptop, company car or allowance etc.

Management Board contracts are typically with the duration of 3-5 years. The maximum severance pay is capped at 6-9 months fixed salary. The non-compete clause and provisions governing reduction in the severance pay normally apply during the severance pay period.

Short-term incentive payments up to 6 months fixed salary to which may be added project based one-off incentive payments approved by the supervisory board. Performance measures and targets for short-term incentives are set by the supervisory board on an annual basis. Pay-outs only take place after verification by the external auditor of the financial statements of the company. Remuneration for 2021 include recognised but not yet paid fees in the amount of EUR 178 thousand.

Long-term incentives are based on option programmes by granting the shares to the management board members. Shares vest at the end of each year but can be exercised only after 3 years from granting.

2021 remuneration

The remuneration of Ekspress Grupp management board during 2021 (in thousand euros):

Name	Position	Fixed salary (FS)	Short-term incentive (SHI)	Portion of FS / SHI	Total remuneration
Mari-Liis Rüütsalu	CEO	144	81	64/36	225
Signe Kukin	CFO	105	59	64/36	163
Kaspar Hanni	CDO	92	38	71/29	131
Total		341	178	66/34	519

No remuneration paid to the management board members from other group companies. Short-term incentive paid for 2021 included targets that were set by the supervisory board at the beginning of 2021. Payments will be made in 2022. The key components related to targeted EBITDA, net profit, share of digital revenues and strategic activities related to existing businesses and potential new acquisitions.

The development in number of shares not-vested in share-based payment programmes for the group management board in 2021 is as follows:

Name	Shares not-vested 31 December 2020	New shares granted 2021	Shares vested 2021	Shares not-vested 31 December 2021
Mari-Liis Rüütsalu	0	80 000	-26 667	53 333
Signe Kukin	0	54 667	-18 222	36 445
Kaspar Hanni	0	40 000	-13 333	26 667
Total	0	174 667	-58 222	116 445

Name	Vested shares 31 December 2020	Shares awarded / exercised 2021	Shares vested 2021	Vested shares 31 December 2021
Mari-Liis Rüütsalu	36 924	-36 924	26 667	26 667
Signe Kukin	38 140	0	18 222	56 362
Kaspar Hanni	18 462	-18 462	13 333	13 333
Total	93 526	-55 386	58 222	96 362

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

In June 2017, the General Meeting of Shareholders approved the share option plan for the Group's key personnel. The eligible person of this share option plan has the right to exercise the issued option after three year period following the issue of the option. The shares granted to key employees on the basis of the share option program were free of charge. The options issued to Signe Kukin will be exercisable in 2022.

In September 2020, the General Meeting of Shareholders approved a new share option plan for the management of AS Ekspress Grupp for the period 2021-2023. Each share option gives a right to acquire one share at the nominal price of the shares at the time of the issuing the options. The options issued to Mari-Liis Rüütsalu, Signe Kukin and Kaspar Hanni will be exercisable in 2024.