

EKSPRESS GRUPP

Consolidated interim report
for the second quarter and first half-year of 2022

January - June (unaudited)



TABLE OF CONTENTS

MANAGEMENT REPORT	3
CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	20
Management Board's confirmation of the Group's interim financial statements.....	33
BRIEF OVERVIEW OF THE GROUP	34

MANAGEMENT REPORT

SUMMARY OF RESULTS

Q2 2022 in comparison with Q2 2021 (continuing operations):

- **Sales revenue** EUR 16.4 million (EUR 13.3 million) +23%
- **The share of digital revenue** of group's revenue 76% (75%)
- **EBITDA** EUR 2.22 million (EUR 2.20 million) +1%
- **Net profit** EUR 1.27 million (EUR 1.12 million) +13%
- **Earnings per share** EUR 0.0419 (EUR 0.0371) +13%

6 months 2022 in comparison with 6 months 2021 (continuing operations):

- **Sales revenue** EUR 29.8 million (EUR 24.3 million) +23%
- **The share of digital revenue** of group's revenue 76% (72%)
- **Digital subscriptions** in Baltics 151 thousand (113 thousand) +34%
- **EBITDA** EUR 2.83 million (EUR 2.80 million) +1%
- **Net profit** EUR 0.76 million (EUR 0.68 million) +12%
- **Earnings per share** EUR 0.0251 euro (0.0224 euro) +12%

MANAGEMENT'S COMMENTS

In the 2nd quarter of 2022, the revenue of AS Ekspress Grupp totalled EUR 16.4 million and net profit totalled EUR 1.27 million. The revenue in the first 6 months of 2022 increased by 23% year-over-year to EUR 29.8 million and net profit increased by 12% to EUR 0.76 million. Digital revenue contributed 76% to the Group's total revenue at the end of June. Digital revenue increased by 28% as compared to the same period last year.

The Group's performance in the 2nd quarter met expectations: the consolidated revenue totalled EUR 16.4 million (Q2 2021: EUR 13.3 million), increasing by 23% as compared to the previous year. The Group's online advertising sales were strong, attributable to the total market growth as well as special digital advertising solutions offered to the customers. Advertising buyers continue to invest an increasing share of their funds in online channels which opens up new opportunities for Ekspress Group companies. In the first 6 months of the year, the revenue totalled EUR 29.8 million, increasing by 23% as compared to the last year. The growth in the first 6 months of the year was strong; however, the Group is aware of higher risks arising from weaker economy and a potential recession in the second half of the year. Net profit growth of 12% as compared to the previous year was hindered by a higher share of advertising sales through agencies which has a higher cost base for the Group, as well as higher labour and other input prices (primarily paper, energy and services).

The number of digital subscriptions of AS Ekspress Grupp increased by 34% by the end of June as compared to the same period last year and totalled 151 thousand subscriptions. In a year-over-year comparison, the number of digital subscriptions continued to demonstrate strong growth, but the growth rate slowed down slightly in the 2nd quarter this year. As expected, on the one hand this slowdown is related to the fact that the reference base as compared to previous periods continues to increase while on the other hand the overall inflation forces some consumers to regularly review their expenses. The average prices of digital subscriptions have considerably continued to grow year after year.

**151k digital
subscriptions
(+34%)**

The earnings before interest, tax, depreciation and amortisation (EBITDA) of Ekspress Grupp totalled EUR 2.22 million in the 2nd quarter and EUR 2.83 million in the first 6 months of the year. EBITDA growth was 1% both in the 2nd quarter as well as in the 1st half of the year as compared to the same period in 2021. Due to the growth of input prices and the pressure of the general economic environment on labour costs, the Group's EBITDA margin has fallen from 12% to 9%. We are aiming to find opportunities in the new economic environment for more efficient process management and revenue growth.

The consolidated net profit was EUR 1.27 million in the 2nd quarter of 2022 and EUR 0.76 million in the first half of 2022. The net profit in the first 6 months of 2022 increased by 12% as compared to last year.

In May, AS Ekspress Grupp entered into a contract to acquire the operations of the news agency ELTA in Lithuania. The acquisition of the news agency ELTA is part of the Group's organic growth strategy. The key purpose of the transaction is to enhance and modernize a news agency with one hundred years of experience, by offering a modern and objective source of information for the Lithuanian media and foreign channels, and to foster competition in the Lithuanian news production market.

The business environment in the first half of 2022 was volatile and it will create insecurity for the future, requiring flexibility and quick responses from the Group. Over the last two years, the Group has demonstrated its ability to quickly adapt to difficult conditions and maintain profitability even in weak economic conditions.

STRATEGY AND GOALS OF THE GROUP

Mission – to serve democracy

Our goals

- Produce award-winning content, appreciated by our readers and media experts alike
- Be the leading digital publisher in Baltics (in terms of digital subscriptions, user time spent and number of real users)
- Maintain our quality paper-based media products for the audiences who value this format
- To act with social responsibility in mind and build strong and trusted brands
- Increase the value of the company for our shareholders

Group strategy

Ekspress Grupp continues focusing on the organic growth of the existing digital business as well as finding opportunities to increase its business volumes through acquisitions. The Group's goal is to increase the company's value by creating a synergy between the new businesses acquired and current media operations.

In the digital media segment, we are implementing a strategy of rapid growth, the goals of which are market development and at the same time increasing market share. In the printed media, we monitor cost efficiency and offer the highest quality journalism in the market. The Group is strengthening its existing core businesses with investments in organic growth and also increases the share of digital revenues through other digital businesses that potentially offer good synergies with the media. The growth of both the media and the supporting digital businesses is supported by financially optimal distribution of investments, moderate use of leverage and dividend policy that takes into account the growth objectives.

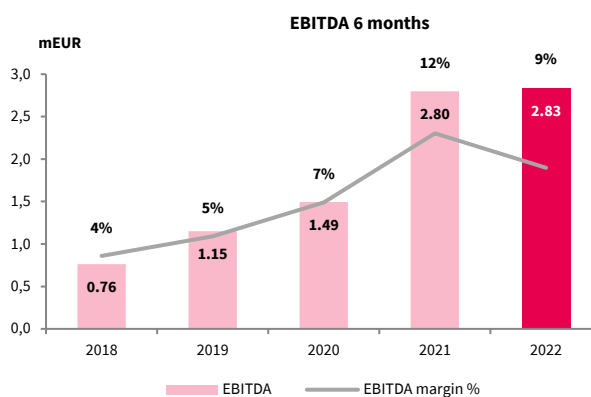
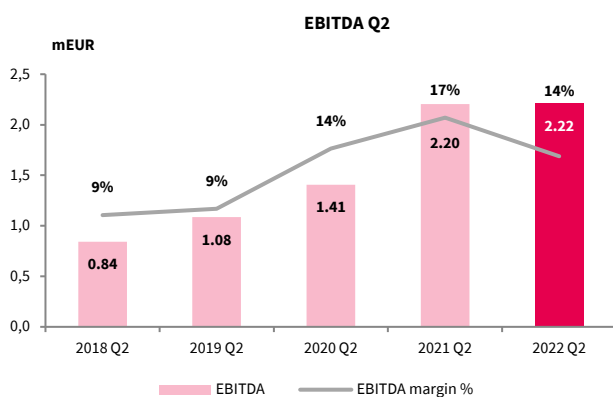
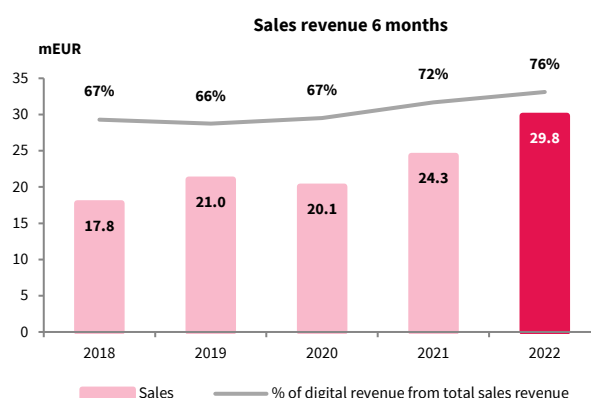
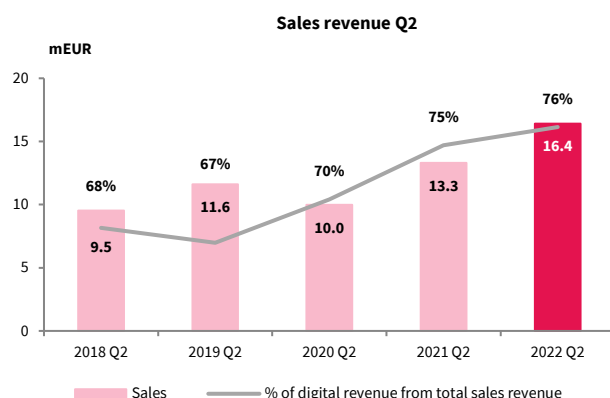
To implement the Group's strategy, our goal remains production of award-winning content valued by our readers and media experts alike while being a leading digital publisher in the Baltic States both in terms of digital subscriptions, the time spent online and the number of actual users. We wish to continue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

The Group's long-term strategic financial targets set by the Supervisory Board are related to business growth, digitalisation, profitability, and ability to pay dividends. The targets are based on the changes in the operating environment, the competitive landscape, and the progress of the transformation strategy.

Ekspress Grupp long-term strategic financial targets

Target by end of 2026	2026 target	2021 actual
Digital subscriptions in Baltics	>340 000	134 947
Share of digital revenues	>85%	76%
EBITDA margin	>15%	15%
Dividend pay-out rate	≥30%	37%

Q2 AND 6 MONTHS RESULTS



REVENUE

In the 2nd quarter of 2022, the consolidated revenue totalled EUR 16.4 million (Q2 2021: EUR 13.3 million). The revenue for the 2nd quarter increased by 23% year-over-year. The consolidated revenue for the first 6 months of 2022 totalled EUR 29.8 million (first 6 months 2021: EUR 24.3 million). The revenue for the first 6 months increased by 23% year-over-year. This growth was attributable to both online advertising revenue as well as digital subscriptions revenue. The share of the Group's digital revenue in total revenue was 76% at the end of the 2nd quarter of 2022 (at the end of the 2nd quarter 2021: 72% of total revenue). Digital revenue for the first 6 months of 2022 increased by 28% as compared to the same period last year.

PROFITABILITY

In the 2nd quarter of 2022, the consolidated EBITDA totalled EUR 2.22 million (Q2 2021: EUR 2.20 million). In the 2nd quarter of 2022, EBITDA increased by 1% as compared to the previous year and the EBITDA margin was 14% (Q2 2021: 17%). The consolidated EBITDA for the first 6 months of 2022 totalled EUR 2.83 million (6 months 2021: EUR 2.80 million). In the first 6 months of 2022, EBITDA increased by 1% as compared to the previous year and the EBITDA margin was 9% (6 months 2021: 12%).

The consolidated net profit for the 2nd quarter of 2022 totalled EUR 1.27 million (Q2 2021: EUR 1.12 million). In the 2nd quarter of 2022, the net profit increased by 13% as compared to the previous year. In the first 6 months of 2022, the consolidated net profit was EUR 0.76 million (6 months 2021: EUR 0.68 million). In the first 6 months of 2022, the net profit increased by 12% as compared to the previous year. The revaluation profit from the final acquisition instalment of Biļešu Paradīze in the amount of EUR 0.2 million had a one-off effect on the net profit for the 2nd quarter.

EXPENSES

In the first 6 months of 2022, the cost of goods sold, marketing, general and administrative costs totalled EUR 29.20 million (6 months 2021: EUR 23.42 million). In the first 6 months of the year, operating expenses increased by EUR 5.78 million (25%), of which staff costs totalled EUR 3.31 million (26%). In the 2nd quarter of 2022, the number of employees increased by 13 people as compared to the same period last year and as of 30 June 2022, there were 145 employees more working at the Group as compared to the previous year. This growth is attributable to 47 employees of OÜ Geenius Meedia that was acquired at the end of 2021 and 98 employees of other media companies in Estonia, Latvia and Lithuania. In addition to inflationary pressures on salary growth, the employee cost base has increased due to additional expenditure related to the editorial staffs covering the war in Ukraine.

In the first 6 months of the year, one-off expenditure includes donations to Ukraine in the total amount of EUR 0.14 million (Q2 2022: additional donations of EUR 0.05 million).

The war in Ukraine has had a major negative effect on the GDP growth in the Baltic States. As a result, the economy has slowed down and created a high inflation environment (in June 2022, inflation was 21.9% in Estonia, 21% in Lithuania and 19.3% in Latvia as compared to the previous year). The Group has neither any operations nor any assets in Ukraine and Russia, and therefore, the war has only an indirect impact on the Group.

CASH POSITION

At the end of the reporting period, the Group had available cash in the amount of EUR 6.8 million and equity in the amount of EUR 52.1 million (56% of total assets). The comparable data as of 30 June 2021, including the printing services segment, were EUR 4.2 million and EUR 55.4 million (59% of total assets), respectively. As of 30 June 2022, the Group's net debt was EUR 15.7 million (31 December 2021: EUR 11.3 million).

In the first 6 months of 2022, the Group's cash flows from operating activities totalled EUR 2.57 million (6 months 2021: EUR 1.99 million, incl. printing services segment) that were positively impacted by the ticket sales platforms in Estonia and Latvia. The sales activity of the Latvian ticket sales platform has recovered and is in a better position due to higher ticket prices as compared to the pre-Covid-19 period.

In the first 6 months of 2022, the Group's cash flows from investing activities totalled EUR -3.60 million (6 months 2021: EUR -1.42 million), of which EUR -2.34 million was related to development and acquisition of property, plant and equipment, indicating higher investments in products and technologies. In the first 6 months of the year, the Group invested EUR -1.31 million in new LED screens, partly to be funded with finance lease in the second half of 2022.

In the first 6 months of 2022, the Group's cash flows from financing activities totalled EUR -3.14 million (6 months 2021: EUR -2.64 million), of which EUR -2.43 million was the dividend payment to the shareholders of AS Ekspress Grupp. Financing activities also include a net change in borrowings and principal lease payments, where the changes made to SEB loan contracts entered into in summer 2021 had a positive impact. In the first 6 months of 2021, treasury shares were purchased in the amount of EUR 0.45 million.

DIVIDENDS

At the regular General Meeting of Shareholders of AS Ekspress Grupp held on 2 May 2022, it was decided to pay a dividend of 8 euro cents per share in the total amount of EUR 2.43 million. Dividends were paid to shareholders on 20 May 2022.

FINANCIAL INDICATORS AND RATIOS

Performance indicators (EUR thousand)	Q2 2022	Q2 2021	Change %	6M 2022	6M 2021	Change %	12 months 2021
Continuing operations							
For the period							
Sales revenue	16 409	13 306	23%	29 836	24 308	23%	53 516
EBITDA	2 216	2 204	1%	2 832	2 800	1%	8 240
EBITDA margin (%)	13.5%	16.6%		9.5%	11.5%		15.4%
Operating profit /(loss)	1 205	1 373	-12%	873	1 162	-25%	4 864
<i>Operating margin (%)</i>	<i>7.3%</i>	<i>10.3%</i>		<i>2.9%</i>	<i>4.8%</i>		<i>9.1%</i>
Interest expenses	(178)	(181)	2%	(347)	(362)	4%	(709)
Profit /(loss) of joint ventures under the equity method	(87)	(63)	-37%	(220)	(170)	-29%	(281)
Net profit /(loss) from continuing operations	1 271	1 124	13%	759	679	12%	4 133
Net margin (%) - continuing operations	7.7%	8.4%		2.5%	2.8%		7.7%
<i>Return on assets (ROA) (%)</i>	<i>2.2%</i>	<i>3.9%</i>		<i>2.2%</i>	<i>3.9%</i>		<i>2.4%</i>
<i>Return on equity (ROE) (%)</i>	<i>3.8%</i>	<i>6.8%</i>		<i>3.8%</i>	<i>6.8%</i>		<i>4.1%</i>
Earnings per share (euro) - continuing operations							
Basic earnings per share	0.0419	0.0371		0.0251	0.0224		0.1362
Diluted earnings per share	0.0405	0.0357		0.0242	0.0216		0.1316

Balance sheet (EUR thousand)	30.06.2022	31.12.2021	Change %
As of the end of the period			
Current assets	18 053	20 553	-12%
Non-current assets	74 779	73 705	1%
Total assets	92 831	94 258	-2%
<i>incl. cash and cash equivalents</i>	<i>6 793</i>	<i>10 962</i>	<i>-38%</i>
<i>incl. goodwill</i>	<i>45 701</i>	<i>45 576</i>	<i>0%</i>
Current liabilities	20 040	20 947	-4%
Non-current liabilities	20 699	19 619	6%
Total liabilities	40 739	40 566	0%
<i>incl. borrowings</i>	<i>22 477</i>	<i>22 219</i>	<i>1%</i>
Equity	52 092	53 692	-3%
Net debt	15 684	11 257	39%
Total capital	67 776	64 950	4%

Financial ratios (%)	30.06.2022	31.12.2021	Change %
Equity ratio (%)	56%	57%	-1%
Debt to equity ratio (%)	43%	41%	4%
Debt to capital ratio (%)	23%	17%	34%
Total debt/EBITDA ratio	2.72	2.70	1%
Liquidity ratio	0.90	0.98	-8%

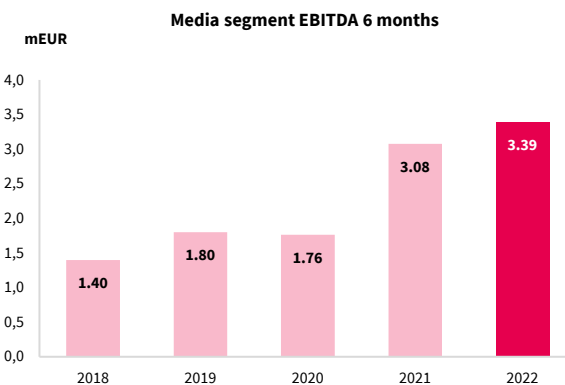
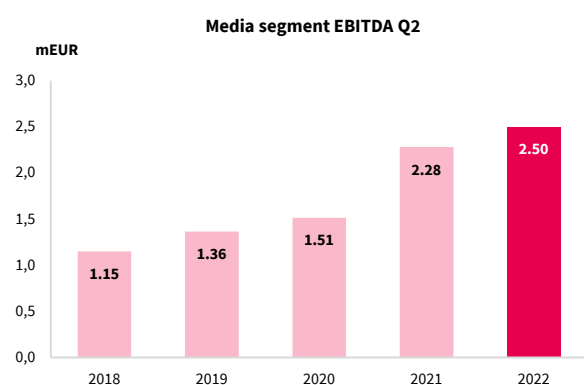
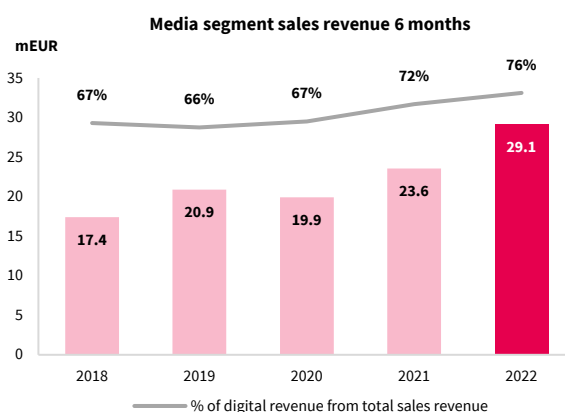
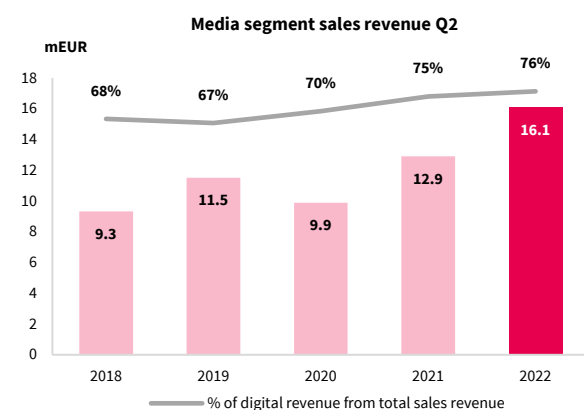
Formulas used to calculate the financial ratios

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 (%) - continuing operations	Net profit from continuing operations in financial statements/sales x100
Earnings per share	Net profit attributable to owners of the parent / weighted average number of ordinary shares outstanding during the period
Diluted earnings per share	Net profit attributable to owners of the parent / (weighted average number of ordinary shares outstanding during the period + number of all potentially issued shares)
Equity ratio (%)	Equity/ (liabilities + equity) x100
Debt to equity ratio (%)	Interest bearing liabilities /equity x 100
Debt to capital ratio (%)	Interest bearing liabilities – cash and cash equivalents (net debt) /(net debt +equity) x 100
Total debt/EBITDA ratio	Interest bearing borrowings /trailing twelve months EBITDA
Liquidity ratio	Current assets / current liabilities
Return on assets ROA (%)	Trailing twelve months net profit /average assets x 100
Return on equity ROE (%)	Trailing twelve months net profit /average equity x 100

Due to the disposal of the 100% holding in the subsidiary Printall AS in September 2021, the printing services segment is recognised as a discontinued operation in the consolidated financial statements. The revenue and expenses of the discontinued operation are shown in a separated line of the consolidated statement of comprehensive income “Gain/loss from discontinued operation”.

SEGMENT OVERVIEW

Starting from September 2021, the Group is operating only in one continuing business area - the media segment.



Key financial indicators for segments

(EUR thousand)				Sales			12 months 2021
	Q2 2022	Q2 2021	Change %	6M 2022	6M 2021	Change %	
Media segment	16 062	12 904	24%	29 144	23 560	24%	52 093
<i>incl. revenue from all digital and online channels</i>	12 494	9 939	26%	22 580	17 603	28%	40 453
<i>% of revenue from all digital and online channels</i>	78%	77%		77%	75%		78%
Corporate functions	1 090	1 054	3%	2 182	2 106	4%	4 118
Inter-segment eliminations	(743)	(652)		(1 490)	(1 357)		(2 695)
TOTAL GROUP	16 409	13 306	23%	29 836	24 308	23%	53 516
<i>% of revenue from all digital and online channels</i>	76%	75%		76%	72%		76%

(EUR thousand)	EBITDA						
	Q2 2022	Q2 2021	Change %	6M 2022	6M 2021	Change %	12 months 2021
Media segment	2 501	2 281	10%	3 394	3 076	10%	8 927
Corporate functions	(261)	(111)	-136%	(491)	(289)	-70%	(669)
Inter-segment eliminations	(24)	33		(70)	13		(18)
TOTAL GROUP	2 216	2 204	1%	2 832	2 800	1%	8 240

EBITDA margin	Q2 2022	Q2 2021	6M 2022	6M 2021	12 months 2021
Media segment	16%	18%	12%	13%	17%
TOTAL GROUP	14%	17%	9%	12%	15%

MEDIA SEGMENT

In the 2nd quarter of 2022, media segment revenue totalled EUR 16.1 million (Q2 2021: 12.9 million). Revenue increased by 24% as compared to the 2nd quarter last year. In the first 6 months of 2022, media segment revenue totalled EUR 29.1 million (6 months 2021: EUR 23.6 million). In the first 6 months of 2022, revenue increased by 24% as compared to the same period last year. Revenue growth is primarily attributable to the growth in online advertising and digital subscriptions. The advertising market has not significantly increased in terms of size as compared to the same period last year, but it is the online advertising market that has continued its upward trend as compared to traditional media channels. In the first 6 months, revenue growth was strong as compared to the previous year, but it has still been negatively impacted by the war in Ukraine due to which several planned campaigns were postponed by advertising customers in 1st quarter. At the end of the 2nd quarter of 2022, the Group's digital revenue contributed 76% to total revenue.

The Latvian ticket sales business has been under various operational restrictions for almost two years. From 1 April 2022, all restrictions were lifted in Latvia. In the 2nd quarter of 2022, the sales activity of the Latvian ticket sales platform has recovered and is stronger due to higher average gross ticket prices as compared to the pre-Covid-19 period.

Starting from April 2021, the Group entered the Estonian market with the ticket sales platform [Piletitasku](#) in Estonia. With the expansion of the ticket sales business into Estonia, the Group will continue its current strategy, the purpose of which is to increase the share of digital revenue, and identify synergies between new business lines and existing media activities. We wish to provide the most convenient platform both for ticket buyers as well as event organisers. The platform was well received in 2021 and the Group will continue its strategy and increase its market share in 2022.

The Latvian outdoor media company SIA D Screens that won the public tender granting it the right to rent the real estate properties owned by the City of Riga in 2021, continues to actively develop its outdoor screen network. The contract enables the company to expand its network to more than 100 screens and participate in the market with both large and small screen networks that cover the most important roads in Riga. New screens will be installed by end of 2022, from which the Group will have additional advertising sales capacity. Until the setup of new screens, the cost base of the Latvian outdoor media company will be impacted by the rent payable to the City of Riga which in the first 6 months of 2022 totalled EUR 0.10 million.

In December 2021, the Group acquired a 100% ownership interest in the media company Geenius Meedia OÜ. The purpose of the acquisition was to grow the digital media business and expand into a niche which the Group's periodicals do not yet cover. The revenue of Geenius Meedia first 6 months of 2022 totalled EUR 1.1 million.

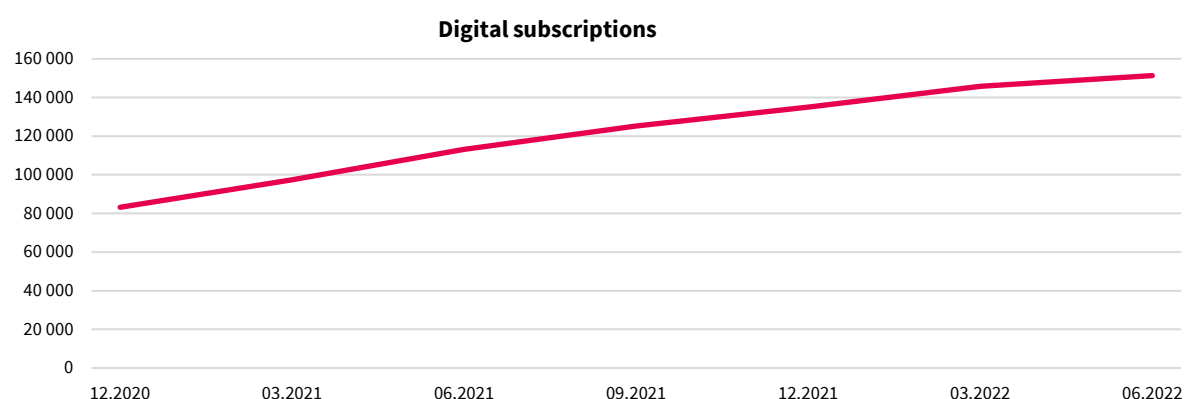
In June 2022, Delfi Lithuania organised a concert of the winner of the Eurovision Song Contest, Kalush Orchestra, in order to support Ukraine. Delfi donated half of the proceeds from ticket sales to the fund of the Ukrainian Embassy "I am Ukraine" in the total amount of EUR 40 thousand.

The joint venture Õhtuleht Kirjastus AS, a key media company on the Estonian market, is recognised under the equity method and included as one line item within finance income in the Group's results. In the first 6 months of 2022, the revenue of Õhtuleht Kirjastus AS totalled EUR 7.0 million (6 months 2021: EUR 6.9 million).

DIGITAL SUBSCRIPTIONS

Detailed overview of digital subscriptions:

(number of subscriptions)	30.06.2022	31.03.2022	change	31.12.2021	change	30.06.2021	change
AS Ekspress Meedia	84 072	78 799	7%	74 873	12%	69 082	22%
AS Õhtuleht Kirjastus	22 281	23 935	-7%	20 992	6%	16 102	38%
Geenius Meedia OÜ	4 523	4 461	1%	4 100	10%	2 913	55%
Estonia total	110 876	107 195	3%	99 965	11%	88 097	26%
Delfi AS (Latvia)	18 190	18 060	1%	17 549	4%	12 977	40%
Delfi UAB (Lithuania)	22 256	20 550	8%	17 433	28%	12 092	84%
Ekspress Grupp total	151 322	145 805	4%	134 947	12%	113 166	34%



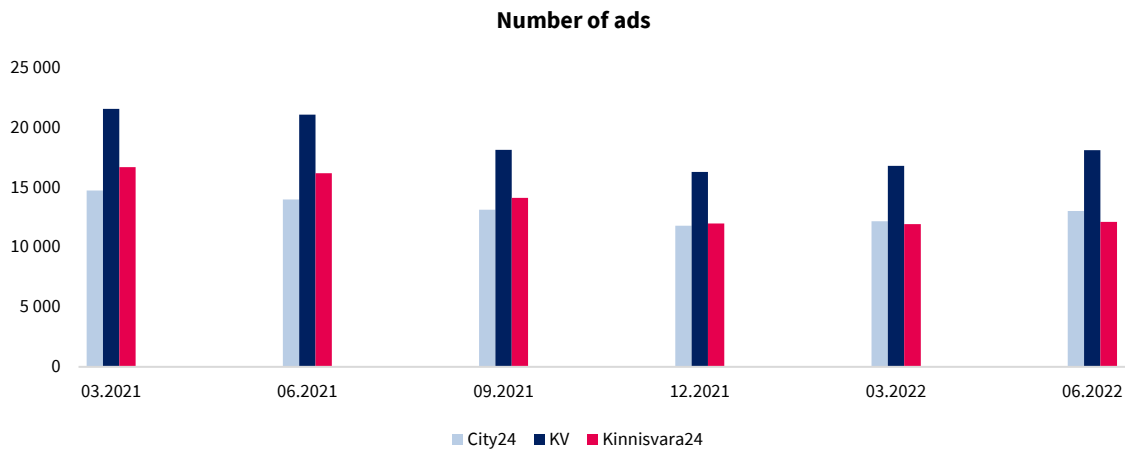
The number of digital subscriptions of AS Ekspress Grupp increased by 34% year-over-year in the Baltic States (2nd quarter: 4%, first six months: 12%) and totalled 151 322 at the end of June.

- The number of digital subscriptions of AS Ekspress Meedia that publishes the news portal Delfi, newspapers Eesti Päevaleht, Maaleht, Eesti Ekspress and several popular magazines increased by 22% year-over-year (2nd quarter: 7%, first six months: 12%) and totalled 84 072.
- The number of digital subscriptions of AS Õhtuleht, 50% of which is owned by Ekspress Grupp, increased by 38% year-over-year (2nd quarter: -7%, first six months: 6%) and totalled 22 281.
- The number of digital subscriptions of Geenius Meedia OÜ increased by 55% year-over-year (2nd quarter: 1%, first six months: 10%) and totalled 4 523.
- In Latvia, the number of digital subscriptions of Delfi A/S increased by 40% year-over-year (2nd quarter: 1%, first six months: 4%) and totalled 18 190.
- In Lithuania, the number of digital subscriptions of Delfi increased by 84% year-over-year (2nd quarter: 8%, first six months: 28%) and totalled 22 256.

As compared to last year, the number of digital subscriptions of Ekspress Grupp continued to demonstrate fast growth; however, the growth rate decelerated slightly in the 2nd quarter. On the one hand, this slowdown is, as expected, due to the reference base of previous periods which keeps getting higher and higher. On the other hand, growth was also impacted by our marketing campaigns where the prices of the subscriptions of new customers were less than 1 euro but that we do not include in the number of digital subscriptions. We will be able to witness the positive impact of the campaigns in the second half of the year.

The Group considers only subscriptions with a value of more than 1 euro in one calendar month as digital subscription.

The Supervisory Board of Ekspress Grupp has set the company's long-term financial goal to increase the number of digital subscriptions in the Baltic States by 2.5 times by the end of 2026 as compared to 2021, i.e. to 340 000 subscribers. New digital subscribers are important for attaining the company's financial goals because in addition to the online advertising sales it provides a stable revenue base for the Group.

REAL ESTATE PORTAL

In the 2nd quarter of 2022, the revenue of [Kinnisvara24.ee](https://www.kinnisvara24.ee) increased by 15% as compared to the previous year, and it was 5% higher than in the 1st quarter of 2022. Sales were impacted by growth in advertising sales and business customer packages.

In the 2nd quarter of 2022, the number of advertisements in the real estate portal continued to grow. In the 2nd quarter of 2022, [Kinnisvara24.ee](https://www.kinnisvara24.ee) was the market leader in the category of new development projects.

In terms of development activities, the key focus was on the website load time and improvement of the ease of use. The mobile view of [Kinnisvara24.ee](https://www.kinnisvara24.ee) was also upgraded, new advertising spots, content marketing sections and an exclusive translation module were added. In addition, [Kinnisvara24.ee](https://www.kinnisvara24.ee) continued to manage the free real estate portal for the Ukrainian refugees.

In marketing, the key focus was on improvement of the company's brand awareness. At the end of the 2nd quarter, direct and organic website traffic increased. Also, there were monthly campaigns to increase the number of private customers. Due to this, the sales of private customer ads and additional services increased.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 30 June 2022, the company's share capital is EUR 18 478 105 (31.12.2021: EUR 18 478 105), which is divided into 30 796 841 (31.12.2021: 30 796 841) shares with the nominal value of 0.60 euros per share.

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

Structure of shareholders as of 30 June 2022 according to the Estonian Central Register of Securities

Name	Number of shares	%
Hans H. Luik and companies under his control	22 552 672	73.23%
<i>Hans H. Luik</i>	7 963 307	25.86%
<i>OÜ HHL Rühm</i>	14 589 365	47.37%
LHV Bank and funds managed by LHV Varahaldus	2 551 778	8.29%
Members of the Management Boards*	134 814	0.44%
Other minority shareholders	5 072 361	16.47%
Treasury shares	485 216	1.58%
TOTAL	30 796 841	100.00%

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

Shares held by members of the Management Board and Supervisory Board as of the report submission date

Mari-Liis Rüütsalu holds 36 924 shares.

Kaspar Hanni holds 18 462 shares.

Signe Kukin holds 38 140 shares.

Hans H. Luik holds 7 963 307 shares and OÜ HHL Rühm holds 14 589 365 shares, the ownership interest of Hans H. Luik as the ultimate beneficiary of AS Ekspress Grupp is 73.23% (22 552 672 shares).

The price of the share of Ekspress Grupp (EEG1T) in euros and the trading statistics on NASDAQ Tallinn Stock Exchange from 1 January 2018 until 30 June 2022.



The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January 2018 until 30 June 2022.



Dividend policy

In October 2021, the Supervisory Board of AS Ekspress Grupp approved the Group's dividends policy according to which Ekspress Grupp will pay at least 30% of its annual net profit as dividends starting from 2022. The capital structure of Ekspress Grupp needs to be strong and sustainable to maintain the targeted operating freedom and make use of the growth opportunities of various economic cycles. The Group's task is to maintain conservative capital allocation in order to provide the Company with flexibility to make new investments in accordance with the requirements set for raising debt.

To support growth, Ekspress Grupp has set a goal of maintaining an optimal level for CAPEX, loan repayments and profit allocation from the point of view of the Group and its investors.

The Group will pay at least 30% of its previous year's net profit as dividends under the condition that there will be enough cash to fund its key operations and make new strategic investments. In the years of economic deceleration or when the cash flows are lower for other reasons, the Group may decide to lower the dividend payout rate or not to pay dividends.

Dividends

At the regular General Meeting of Shareholders of AS Ekspress Grupp held on 2 May 2022, it was decided to pay a dividend of 8 euro cents per share in the total amount of EUR 2.43 million. Dividends were paid to shareholders on 20 May 2022.

Date of the General Meeting	13.06.2017	06.06.2018	04.11.2021	02.05.2022
Period for which dividends are paid	2016	2017	2020	2021
Dividend payment per share (EUR)	6 cents	7 cents	10 cents	8 cents
Total payment of dividends (EUR thousand)	1 787	2 085	3 028	2 425
Dividend pay-out ratio (%) - calculated on the net profit from continuing operations	131%	212%	119%	59%
Dividend pay-out ratio (%)	41%	66%	121%	108%
Date of fixing the list of dividend recipients	29.06.2017	20.06.2018	19.11.2021	16.05.2022
Date of dividend payment	06.07.2017	03.07.2018	23.11.2021	20.05.2022

CORPORATE GOVERNANCE

GROUP'S LEGAL STRUCTURE

As of 30 June 2022, the Group consists of 20 companies (31.12.2021: 21). A detailed list of group companies is disclosed in Note 1 to the financial statements.

Changes in the Group's legal structure

On 28 July, OÜ Ekspress Finants signed a demerger plan, according to which OÜ Ekspress Finants will be split by way of a demerger. During the demerger, a new company Vaheekspress OÜ (being set up) will be established which will become a 100% subsidiary of AS Ekspress Grupp with the share capital of EUR 2500.

On 28 July 2022, the sole shareholder of OÜ Babahh Media, AS Ekspress Grupp, adopted a decision to terminate the operations of OÜ Babahh Media (registry code 12347387) and launch liquidation proceedings.

In May 2022, UAB Delfi, 100% subsidiary of AS Ekspress Grupp, entered into the contract for the acquisition of the business activities of the news agency ELTA in Lithuania. The acquisition of operations of news agency ELTA is an organic step in our strategy. The main goal of this deal is to strengthen and modernize a news agency with a hundred-year experience so that it becomes a modern, competitive, and objective source of journalism for the Lithuanian media and foreign channels.

In September 2021, a merger agreement was concluded to merge the wholly-owned subsidiary of A/S Delfi (the wholly-owned subsidiary of AS Ekspress Grupp), i.e. SIA Delfi Tickets Service with the wholly-owned subsidiary of A/S Delfi, i.e. SIA Biļešu Paradīze, agreeing that SIA Biļešu Paradīze as the acquiring company will acquire all assets and liabilities of SIA Delfi Tickets Service. The merger agreement was concluded for the purpose of simplifying the Group's management and legal structure. The merger was registered on 19 April 2022.

On 2 March 2022, a contract was concluded between AS Ekspress Grupp, AS Postimees Grupp and AS Eesti Post, according to which AS Eesti Post will acquire a 100% ownership interest in AS Express Post. The holding of Ekspress Grupp will be 50%. The purpose of the transaction is fund a more sustainable economic model for home delivery of newspapers and magazines. Exit from the postal business is in line with the Group's long-term strategy and continuous growth of the share of digital media. As of 30 June 2022, the value of the investment in the Group's balance sheet was EUR 0 (31.12.2021: EUR 0). The parties have agreed that the conditions of the transaction will be confidential. Prior to entry into force, the purchase and sale transaction needs to be approved by the Competition Board. At the time of preparing the report, the Competition Board has not announced its position. There is up to five months to develop a position, i.e. until 6 August 2022.

In 2021, the revenue of AS Express Post was EUR 5.2 million and the loss totalled EUR 0.6 million. In the first half-year of 2022, its revenue was EUR 2.6 million and the loss totalled EUR 0.6 million.

Changes in the management of the Group's subsidiaries

On 24 May 2022, the Supervisory Board of OÜ Hea Lugu decided to recall Tiina Kaalepi from the Management Board as of 1 June 2022. Vallo Kalvik was elected as a member of the Management Board from the same date.

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.

In January 2022, The Management Board of AS Ekspress Grupp proposed to the shareholders to adopt resolutions without convening a general meeting in accordance to § 299¹ of the Commercial Code. The notice of adoption of resolutions was published on 20 January 2022 in the stock exchange information system and on the company's homepage, as well as in the 21 January 2022 issue of newspaper Eesti Päevaleht.

On 11 February 2022, the shareholders of AS Ekspress Grupp adopted the following resolutions:

- The approval of the Share Option Program of AS Ekspress Grupp up to 371,000 options with the exercise date May 2023. The program enables Ekspress Grupp to comply with the commitment arising from the purchase and sale agreement of the shares of Geenius Meedia OÜ entered into on 17 December 2021.

The regular General Meeting of Shareholders of AS Ekspress Grupp was held on 2 May 2022 in the seat of the public limited company. All members of the Management Board and the Chairman of Supervisory Board participated in the meeting. The general meeting:

- Approved the 2021 annual report of AS Ekspress Grupp.
- Approved the Profit Distribution Proposal for 2021 to distribute total EUR 2.24 million as follows: to increase statutory reserve by EUR 0.11 million and to pay dividends 8 (eight) euro cents per share in total amount of EUR 2.42 million, of which EUR 2.13 million is distributed from the 2021 profit and EUR 0.29 million distributed from the retained earnings.
- Decided to approve the share buyback program of AS Ekspress Grupp's own shares under the following terms:
 - AS Ekspress Grupp shall have the right to buy back a maximum of 2 500 000 own shares whereby the total amount of the nominal value of the treasury shares owned by the company may not exceed 1/10 of its share capital.
 - AS Ekspress Grupp shall have the right to buy back its own shares in one or multiple transactions via buyback offer(s) targeted at all shareholders within 12 months from the date of adoption of this decision.
 - The minimum amount to be paid for its own shares shall be EUR 0.60 per share and the maximum amount per share shall be the closing price on the Nasdaq Tallinn Stock Exchange plus 20% but not more than EUR 1.90 per share at the trading day preceding the announcement of each respective buyback. The total amount payable for the shares to be bought back pursuant to this decision shall be up to EUR 1 million at most. The acquisition of the shares may not lead to a reduction in net assets below the total amount of share capital and reserves, the payment of which to the shareholders is not be permitted under law or the articles of association.
 - The purpose of the share buyback is to use the attractive market conditions in order to create value for the shareholders. The shares bought back will thereafter be cancelled or used for other purposes (e.g. sale or use of shares for the option program).
- Recalled Mr. Aleksandras Česnavičius from the Supervisory Board.
- Decided to remunerate Priit Rohumaa, the Chairman of the Supervisory Board, as follows: current monthly remuneration of EUR 1000 (gross) to be increased to EUR 3000 (gross) per month.
- Approved the Remuneration Policy for the Executive Management of AS Ekspress Grupp.
- Elected Triin Hertmann as the Member of the Supervisory Board for the five years until 2 May 2027.
- Decided to remunerate Triin Hertmann as follows: a monthly remuneration of 1,350 euros (gross) to be paid.

SUPERVISORY BOARD

The Supervisory Board of AS Ekspress Grupp consists of four members and includes:

- Priit Rohumaa (Chairman)
- Hans H. Luik
- Indrek Kasela
- Triin Hertmann

On 2 May 2022 Triin Hertmann was elected as the Member of the Supervisory Board for the five years until 2 May 2027.

The member of the Supervisory Board of AS Ekspress Grupp Aleksandras Česnavičius who was member of the Supervisory Board of AS Ekspress Grupp since 26 October 2016, was recalled from the position of the member of the Supervisory Board of AS Ekspress Grupp on 2 May 2022.

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

MANAGEMENT BOARD

The Management Board of AS Ekspress Grupp operates with three members and includes:

- Mari-Liis Rüütsalu (Chairman)
- Kaspar Hanni
- Signe Kukin

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

SUPERVISORY AND MANAGEMENT BOARDS OF SUBSIDIARIES

The supervisory and management boards of AS Ekspress Grupp's key subsidiaries as of 30 June 2022 is shown below:

COMPANY*	SUPERVISORY BOARD	MANAGEMENT BOARD
Ekspress Meedia AS (14 494 434)	Hans Luik (chairman), Mari-Liis Rüütsalu, Kaspar Hanni, Signe Kukin	Argo Virkebau (chairman) Urmo Soonvald, Tarvo Ulejev, Erle Laak-Sepp, Piret Põldoja
Delfi UAB (4 150 244)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Vytautas Benokraitis
SIA Biļešu Paradīze (3 087 728)	-	Jānis Ņuzulis (chairman), Jānis Daube
Delfi A/S (Latvia) (4 325 366)	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin	Konstantīns Kuzikovs (chairman), Ingus Bērziņš, Anatolijs Golubovs
Ekspress Finants OÜ (18 315 158)	-	Mari-Liis Rüütsalu (chairman), Kaspar Hanni, Signe Kukin

* The amount of equity of the key subsidiary that is held by the owners of the parent company as of 30 June 2022 is shown in parentheses.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)	21
Consolidated statement of comprehensive income (unaudited)	22
Consolidated statement of changes in equity (unaudited).....	23
Consolidated cash flow statement (unaudited)	24
SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	25
Note 1. General information.....	25
Note 2. Bases of preparation.....	26
Note 3. Financial risk management	26
Note 4. Business combinations.....	26
Note 5. Property, plant and equipment and intangible assets	27
Note 6. Bank loans and borrowings.....	27
Note 7. Segment reporting.....	28
Note 8. Discontinued operation	29
Note 9. Earnings per share	30
Note 10. Share option plan.....	31
Note 11. Equity and dividends	31
Note 12. Related party transactions	32
Note 13. Contingent assets and liabilities.....	32

Consolidated balance sheet (unaudited)

(EUR thousand)	30.06.2022	31.12.2021
ASSETS		
Current assets		
Cash and cash equivalents	6 793	10 962
Trade and other receivables	10 786	9 323
Corporate income tax prepayment	181	2
Inventories	293	266
Total current assets	18 053	20 553
Non-current assets		
Other receivables and investments	1 617	1 671
Deferred tax asset	42	42
Investments in joint ventures	833	1 011
Investments in associates	2 170	2 210
Property, plant and equipment (Note 5)	9 100	7 964
Intangible assets (Note 5)	61 017	60 807
Total non-current assets	74 779	73 705
TOTAL ASSETS	92 831	94 258
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	2 379	3 201
Trade and other payables	17 621	17 664
Corporate income tax payable	40	82
Total current liabilities	20 040	20 947
Non-current liabilities		
Long-term borrowings (Note 6)	20 098	19 018
Other long-term liabilities	601	601
Total non-current liabilities	20 699	19 619
TOTAL LIABILITIES	40 739	40 566
EQUITY		
Minority interest	138	140
Capital and reserves attributable to equity holders of parent company:		
Share capital (Note 11)	18 478	18 478
Share premium	14 277	14 277
Treasury shares (Note 11)	(362)	(384)
Reserves (Note 11)	2 048	1 920
Retained earnings	17 513	19 261
Total capital and reserves attributable to equity holders of parent company	51 954	53 552
TOTAL EQUITY	52 092	53 692
TOTAL LIABILITIES AND EQUITY	92 831	94 258

The Notes presented on pages 25-32 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q2 2022	Q2 2021	6M 2022	6M 2021	12 months 2021
Continuing operations					
Sales	16 409	13 306	29 836	24 308	53 516
Cost of sales	(12 407)	(9 691)	(23 441)	(18 693)	(39 674)
Gross profit	4 002	3 615	6 395	5 615	13 842
Other income	198	212	317	318	929
Marketing expenses	(783)	(682)	(1 437)	(1 099)	(2 359)
Administrative expenses	(2 170)	(1 747)	(4 317)	(3 623)	(7 435)
Other expenses	(43)	(25)	(85)	(49)	(113)
Operating profit/(loss)	1 205	1 373	873	1 162	4 864
Interest income	9	8	19	17	35
Interest expenses	(178)	(181)	(347)	(362)	(709)
Other finance income/(costs)	210	(11)	197	4	339
Net finance cost	41	(184)	(131)	(341)	(335)
Profit/(loss) on shares of joint ventures	(87)	(63)	(220)	(170)	(281)
Profit/(loss) on shares of associates	143	32	273	67	161
Profit/(loss) before income tax	1 302	1 157	794	718	4 409
Income tax expense	(31)	(34)	(36)	(39)	(276)
Net profit/(loss) from continuing operations	1 271	1 124	759	679	4 133
Net profit/(loss) from discontinued operation	0	123	0	304	(1 876)
Net profit/(loss) for the reporting period	1 271	1 247	759	982	2 257
Net profit/(loss) for the reporting period attributable to					
Equity holders of the parent company	1 272	1 246	761	980	2 243
Minority interest	(1)	1	(2)	2	14
Total comprehensive income/(loss)	1 271	1 247	759	982	2 257
Comprehensive income/(loss) for the reporting period attributable to					
Equity holders of the parent company	1 272	1 246	761	980	2 243
Minority interest	(1)	1	(2)	2	14
Earnings per share (euro) - continuing operations					
Basic earnings per share (Note 9)	0.0419	0.0371	0.0251	0.0224	0.1362
Diluted earnings per share (Note 9)	0.0405	0.0357	0.0242	0.0216	0.1316
Earnings per share (euro)					
Basic earnings per share (Note 9)	0.0419	0.0412	0.0251	0.0325	0.0742
Diluted earnings per share (Note 9)	0.0405	0.0396	0.0242	0.0312	0.0716

The Notes presented on pages 25-32 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 31.12.2020	18 478	14 277	(209)	1 758	20 189	54 493	126	54 619
Increase of statutory reserve capital	0	0	0	126	(126)	0	0	0
Purchase of treasury shares	0	0	(446)	0	0	(446)	0	(446)
Share options	0	0	271	19	(17)	273	0	273
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>(175)</i>	<i>145</i>	<i>(143)</i>	<i>(173)</i>	<i>0</i>	<i>(173)</i>
Net profit /(loss) for the reporting period	0	0	0	0	980	980	2	982
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>980</i>	<i>980</i>	<i>2</i>	<i>982</i>
Balance on 30.06.2021	18 478	14 277	(384)	1 903	21 026	55 300	128	55 428
Balance on 31.12.2021	18 478	14 277	(384)	1 920	19 261	53 552	140	53 692
Increase of statutory reserve capital	0	0	0	110	(110)	0	0	0
Share options	0	0	22	18	26	66	0	66
Dividends paid	0	0	0	0	(2 425)	(2 425)	0	(2 425)
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>22</i>	<i>128</i>	<i>(2 509)</i>	<i>(2 359)</i>	<i>0</i>	<i>(2 359)</i>
Net profit /(loss) for the reporting period	0	0	0	0	761	761	(2)	759
<i>Total comprehensive income /(loss) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>761</i>	<i>761</i>	<i>(2)</i>	<i>759</i>
Balance on 30.06.2022	18 478	14 277	(362)	2 048	17 513	51 954	138	52 092

The Notes presented on pages 25-32 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	6M 2022	6M 2021*	12 months 2021*
Cash flows from operating activities			
Operating profit /(loss) for the reporting year	873	1 524	3 060
Adjustments for (non-cash):			
Depreciation and amortisation (Note 5)	1 959	2 281	4 162
(Gain)/loss on sale, write-down and impairment of property, plant and equipment	2	36	(10)
Change in value of share option	18	19	36
Loss on sale of discontinued operation	0	0	2 077
Cash flows from operating activities:			
Trade and other receivables	(1 385)	(1 150)	(1 599)
Inventories	(27)	160	(33)
Trade and other payables	1 572	(390)	1 464
Income tax paid	(262)	(212)	(281)
Interest paid	(181)	(277)	(803)
Net cash generated from operating activities	2 569	1 992	8 073
Cash flows from investing activities			
Acquisition of subsidiaries/ associates (less cash acquired) and other investments / cash paid-in equity-accounted investees	(1 971)	(201)	(3 325)
Disposal of discontinued operation, net of cash disposed of	0	0	6 326
Receipts of other investments	10	51	51
Interest received	1	2	3
Purchase of property, plant and equipment and intangible assets (Note 5)	(2 335)	(1 268)	(2 786)
Proceeds from sale of property, plant and equipment and intangible assets	40	1	3
Loans granted	(30)	(82)	(212)
Loan repayments received	86	0	156
Dividends received	601	78	828
Net cash used in investing activities	(3 598)	(1 419)	1 044
Cash flows from financing activities			
Dividends paid	(2 425)	0	(3 028)
Payment of lease liabilities	(851)	(954)	(1 814)
Loans received / Repayments of bank loans (Note 6)	136	(1 235)	864
Purchases of treasury shares	0	(446)	(446)
Net cash used in financing activities	(3 140)	(2 635)	(4 424)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4 169)	(2 062)	4 693
Cash and cash equivalents at the beginning of the period	10 962	6 269	6 269
Cash and cash equivalents at the end of the period	6 793	4 207	10 962

*No adjustments have been made to the consolidated cash flows for 2021 in accordance with the requirements of IFRS. Cash flows related to the printing services segment are still consolidated line-by-line.

The Notes presented on pages 25-32 form an integral part of the consolidated interim report.

SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1. General information

The main fields of activity of AS Ekspress Grupp and its subsidiaries include online media, publishing of newspapers, magazines and books. AS Ekspress Grupp (registration number 10004677, address: Narva mnt 13, 10151 Tallinn) is a holding company registered and operating in the Republic of Estonia. The Group consists of the subsidiaries, joint ventures and associates listed below.

The Management Board approved and signed these financial statements on 28 July 2022. 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 30.06.2022	Ownership interest 31.12.2021	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%	100%	Financing and book-keeping services	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%	Holding company (merged with Biļešu Paradize SIA from April 2022)	Latvia
Biļešu Paradize 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
Sport Media UAB	Subsidiary	51%	51%	Currently dormant	Lithuania
Hea Lugu OÜ	Subsidiary	83%	83%	Book publishing	Estonia
Eesti Audioraamatute Keskus OÜ	Associate	33.33%	33.33%	Production and sale of audio books	Estonia
Digital Matter UAB	Subsidiary	100%	100%	Online advertising solutions and network	Lithuania
Digital Matter SIA	Subsidiary	100%	100%	Online advertising solutions and network	Latvia
Videotinklas UAB	Subsidiary	100%	100%	Production studio for content creation	Lithuania
Geenius Meedia OÜ	Subsidiary	100%	100%	Online media and publishing magazines	Estonia
Linna Ekraanid OÜ	Subsidiary	100%	100%	Sale of digital outdoor advertising	Estonia
Babahh Media OÜ	Subsidiary	100%	100%	Sale of video production, media and infrastructure solutions (in liquidation)	Estonia
Õhtuleht Kirjastus AS	Joint venture	50%	50%	Newspaper and magazine publishing	Estonia
Express Post AS	Joint venture	50%	50%	Home delivery of periodicals	Estonia
Kinnisvarakeskkond OÜ	Associate	49%	49%	Development of a real estate portal	Estonia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 2nd quarter and first half-year ended on 30 June 2022 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 2021.

The Management Board estimates that the interim consolidated financial statements for the 2nd quarter and first half-year 2022 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 2021.

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.

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

Note 4. Business combinations

In May 2022, UAB Delfi, 100% subsidiary of AS Ekspress Grupp, entered into the contract for the acquisition of the business activities of the news agency ELTA in Lithuania. The acquisition of operations of news agency ELTA is an organic step in our strategy. The main goal of this deal is to strengthen and modernize a news agency with a hundred-year experience so that it becomes a modern, competitive, and objective source of journalism for the Lithuanian media and foreign channels.

Note 5. Property, plant and equipment and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	6M 2022	6M 2021	6M 2022	6M 2021
Balance at beginning of the period				
Cost	14 493	42 714	82 081	77 076
Accumulated depreciation and amortisation	(6 529)	(28 580)	(21 274)	(20 441)
Carrying amount	7 964	14 134	60 807	56 635
Acquisitions and improvements	2 509	2 450	910	930
Disposals (at carrying amount)	(8)	(1)	0	0
Write-down, write-off and impairment of non-current assets	(144)	(61)	(76)	(26)
Reclassification	(13)	40	0	(40)
Acquired through business combinations	0	0	125	0
Depreciation and amortisation	(1 209)	(1 548)	(750)	(733)
Balance at end of the period				
Cost	16 699	44 997	83 090	77 940
Accumulated depreciation and amortisation	(7 599)	(29 983)	(22 073)	(21 174)
Carrying amount	9 100	15 014	61 017	56 766

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 30.06.2022				
Long-term bank loans	11 486	1 500	9 986	0
Notes	5 000	0	0	5 000
Lease liability	5 991	879	5 112	0
Total	22 477	2 379	15 098	5 000
Balance as of 31.12.2021				
Long-term bank loans	11 350	1 680	9 670	0
Notes	5 000	0	0	5 000
Lease liability	5 869	1 521	4 348	0
Total	22 219	3 201	14 018	5 000

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.

Starting from September 2021, the Group has only one continued operating segment, i.e. the media segment.

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), OÜ Hea Lugu (Estonia), D Screens SIA (Latvia), Digital Matter (Lithuania, Estonia, Latvia), Linna Ekraanid OÜ (Estonia), Babahh Media OÜ (Estonia), SIA Biļešu Paradīze (Latvia), Videotinklas UAB (Lithuania) and Geenius Meedia OÜ (Estonia).

The revenue of the **media segment** is derived from sale of advertising banners and other advertising space and products and digital subscriptions in its own portals in Estonia, Latvia and Lithuania. Sale of advertising space in newspapers and magazines, revenue from subscriptions and single copy sales of newspapers and magazines. Sale of books and miscellaneous book series, services fees for preparation of customer fliers and other projects. In addition sale of digital outdoor advertising and electronic ticket sales platforms in Estonia and Latvia.

The **Group's corporate functions** are shown separately and they do not form a separate business segment. It includes the Parent Company AS Ekspress Grupp, which provides legal advisory and IT services to its group companies and Ekspress Finants OÜ, which provides accounting services to group companies.

The Management Board assesses the performance of the operating segments based on revenue, EBITDA and the EBITDA margin. Internal management fees and goodwill impairment are not included in segment results.

According to the estimate of the Parent Company's management, the inter-segment transactions have been carried out on an arm's length basis and they do not differ significantly from the conditions of the transactions concluded with third parties.

Q2 2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	16 045	364	0	16 409
Inter-segment sales	17	726	(743)	0
Total segment sales	16 062	1 090	(743)	16 409
EBITDA	2 501	(261)	(24)	2 216
EBITDA margin	16%			14%
Depreciation				1 011
Operating profit /(loss)				1 205
Investments				1 563

Q2 2021 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	12 890	416	0	13 306
Inter-segment sales	14	638	(652)	0
Total segment sales	12 904	1 054	(652)	13 306
EBITDA	2 281	(111)	33	2 204
EBITDA margin	18%			17%
Depreciation				831
Operating profit /(loss)				1 373
Investments				792

6M 2022 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	29 092	743	0	29 836
Inter-segment sales	52	1 438	(1 490)	0
Total segment sales	29 144	2 182	(1 490)	29 836
EBITDA	3 394	(491)	(70)	2 832
EBITDA margin	12%			9%
Depreciation				1 959
Operating profit /(loss)				873
Investments				3 419

6M 2021 (EUR thousand)	Media	Corporate functions	Eliminations	Total Group
Sales to external customers	23 530	778	0	24 308
Inter-segment sales	29	1 328	(1 357)	0
Total segment sales	23 560	2 106	(1 357)	24 308
EBITDA	3 076	(289)	13	2 800
EBITDA margin	13%			12%
Depreciation				1 638
Operating profit /(loss)				1 162
Investments				3 019

Note 8. Discontinued operation

In September 2021, AS Ekspress Grupp sold its 100% ownership interest in its subsidiary Printall AS. The management decided to sell Printall AS in order to exit from a business sector that doesn't match with Group's strategy and sector with a significant CAPEX requirements. As a result of the transaction, the capital is released for financing Group's continued growth in digital media.

In accordance with the decision of the extraordinary general meeting of shareholders of AS Ekspress Grupp from 13 July 2021, AS Ekspress Grupp and OÜ Trükitung concluded a sales agreement on 3 September 2021, according to which Ekspress Grupp sold its 100% ownership interest in its subsidiary Printall AS. The transaction was completed as of 6 September 2021, from which the business of Printall AS is reported in the consolidated financial statements as a discontinued operation and comparable data are presented for continuing operations, where the revenues and expenses of discontinued operations are shown in a separate line in the comprehensive income statement "Gain/-loss from discontinued operations".

The effect of the sales transaction on the Group's financial statements is disclosed in more detail in the consolidated financial statements of the Group for the year ended 31 December 2021.

Note 9. Earnings per share

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

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

EUR	Q2 2022			Q2 2021		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Profit / (loss) attributable to equity holders	1 271 208	0	1 271 208	1 122 608	123 239	1 245 847
Average number of ordinary shares at the end of the period	30 308 891	30 308 891	30 308 891	30 268 884	30 268 884	30 268 884
Number of ordinary shares potentially issued as the part of option program at the end of the period	1 064 071	1 064 071	1 064 071	1 183 012	1 183 012	1 183 012
Basic earnings per share	0.0419	0.0000	0.0419	0.0371	0.0041	0.0412
Diluted earnings per share	0.0405	0.0000	0.0405	0.0357	0.0039	0.0396

EUR	6M 2022			6M 2021		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Profit / (loss) attributable to equity holders	760 350	0	760 350	676 704	303 708	980 412
Average number of ordinary shares at the end of the period	30 296 193	30 296 193	30 296 193	30 202 769	30 202 769	30 202 769
Number of ordinary shares potentially issued as the part of option program at the end of the period	1 064 071	1 064 071	1 064 071	1 183 012	1 183 012	1 183 012
Basic earnings per share	0.0251	0.0000	0.0251	0.0224	0.0101	0.0325
Diluted earnings per share	0.0242	0.0000	0.0242	0.0216	0.0097	0.0312

EUR	12 months 2021		
	Continuing operations	Discontinued operation	Total
Profit / (loss) attributable to equity holders	4 119 007	(1 875 904)	2 243 103
Average number of ordinary shares at the end of the period	30 243 148	30 243 148	30 243 148
Number of ordinary shares potentially issued as the part of option program at the end of the period	1 064 071	1 064 071	1 064 071
Basic earnings per share	0.1362	(0.0620)	0.0742
Diluted earnings per share	0.1316	(0.0599)	0.0716

Note 10. Share option plan

Program approved in 2017

In June 2017, the General Meeting of Shareholders approved the share option plan for key employees, which was mostly exercised at the end of 2020 and in the 1st quarter of 2021.

By 30 June 2022, the balance of issued options of the share option plan approved in 2017 was 38 thousand (as of 31.12.2021: 69 thousand options issued), each of which grants the right to receive one share of the company free of charge. As at 31 December 2021 all options are vested and can be exercised during 2022. The liability of the above mentioned stock options amounted to EUR 25 thousand as at 30 June 2022 (31.12.2021: EUR 72 thousand).

Program approved in 2020

In September 2020, the General Meeting of Shareholders approved a new share option plan for the management of AS Ekspress Grupp and its group companies for the period 2021-2023. As of 30 June 2022 total amount of share options granted was 1 064 thousand (31.12.2021: 1 064 thousand), each giving a right to acquire one share at the nominal price (currently 60 euro cents) of the shares at the time of the issuing the options. The options are vesting proportionally 1/3 per year over three-year period. The exercise of the options and issue of the shares shall be performed by means of an increase of the share capital of AS Ekspress Grupp and issue of new shares that shall take place in Q1 2024.

Upon approving the share option, the option was recognised at its fair value and recognised on the one hand in the profit or loss statement as labour cost and, on the other hand, as a share option reserve in equity. As of 30 June 2022 this reserve totalled EUR 54 thousand (31.12.2021 EUR 36 thousand).

Program approved in 2022

In February 2022, the General Meeting of Shareholders approved a new share option plan that entitles the option holders to acquire the shares of AS Ekspress Grupp in exchange for the underlying asset of the options issued by Geenius Meedia OÜ in 2020. Share option plan was approved up to 371 thousand options, each of which grants the right to receive one share of the company free of charge, with the exercise date May 2023. The exercise of these options will be performed in exchange for the own shares of Ekspress Grupp. No new shares shall be issued under this program. The program enables AS Ekspress Grupp to comply with the commitment arising from the purchase and sale agreement of the shares of Geenius Meedia OÜ entered into on 17 December 2021. As of 30 June 2022, the liability of the mentioned share option amounted to EUR 378 thousand (31.12.2021: EUR 378 thousand).

Note 11. Equity and dividends

Share capital

As of 30 June 2022, the company's share capital is EUR 18 478 105 (31.12.2021: EUR 18 478 105), which is divided into 30 796 841 (31.12.2021: 30 796 841) shares with the nominal value of 0.60 euros per share.

The maximum amount of share capital as stipulated by the articles of association is EUR 25 564 656.

Treasury shares

In 2021, within the framework of the share option plan the option owners were transferred 374 611 shares and bought back 547 162 shares. As a result, the balance of treasury shares increased by EUR 175 thousand.

In the first half-year of 2022, within the framework of the share option plan the option owners were transferred 28 756. As a result, the balance of treasury shares decreased by EUR 22 thousand.

As of 30 June 2022, the Company had 485 216 treasury shares (31.12.2021: 513 972) in the total amount of EUR 362 thousand (31.12.2021: EUR 384 thousand). 440 thousand treasury shares to be used for the share option plans due to be exercised in 2022 and 2023.

Dividends

At the regular general meeting of shareholders of AS Ekspress Grupp held on 2 May 2022, it was decided to pay a dividend of 8 euro cents per share in the total amount of EUR 2.43 million. Dividends were paid to shareholders on 20 May 2022.

In 2021, in conjunction with the sale of Printall AS, the Group paid an extraordinary dividend of 10 euro cents per share to its shareholders in the total amount of EUR 3.03 million. Shareholder resolutions were adopted without calling the extraordinary general meeting of shareholders on 4 November 2021.

As of 30 June 2022, it is possible to distribute dividends without income tax payment in the total amount of EUR 22.8 million.

Note 12. Related party transactions

Transactions with related parties are transactions with Key Management Personnel and companies controlled by the Key Management Personnel, associates and joint ventures. The Key Management Personnel are members of the Group's and Group companies' Supervisory Board and Management Board.

The ultimate controlling individual of AS Ekspress Grupp is Hans H. Luik.

The Group has purchased from (goods for resale, manufacturing materials, non-current assets) and sold its goods and services to (lease of non-current assets, management services, other services) to the following related parties.

(EUR thousand)	6M 2022		30.06.2022		31.12.2021	
	Sales	Purchases	Receivables	Payables	Receivables	Payables
Companies controlled by the Key Management Personnel*	66	1 437	712	243	717	252
Associates	77	1	160	0	192	0
Joint ventures	720	1 042	129	201	145	226
Total	863	2 480	1 001	444	1 055	478

(EUR thousand)	6M 2021		30.06.2021		31.12.2020	
	Sales	Purchases	Receivables	Payables	Receivables	Payables
Companies controlled by the Key Management Personnel*	6	200	0	9	1	9
Associates	78	20	187	3	186	0
Joint ventures	1 157	970	970	191	218	197
Total	1 241	1 191	1 157	203	405	206

* since September 2021, Printall AS is a company related to a member of the Supervisory Board, and transactions and balances related to Printall AS are reported in the line "Companies controlled by the Key Management Personnel". Previously, Printall AS was a Group company and transactions and balances related to it are not reflected in the note "Related party transactions".

Note 13. Contingent assets and liabilities

On 28 April 2020, Harju County Court forwarded a statement of claim of MM Grupp OÜ to AS Ekspress Meedia, in which MM Grupp OÜ 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. On 17 March 2021, Harju County Court made a decision in the action of MM Grupp OÜ against AS Ekspress Meedia, in which the court dismissed the claim for the compensation of damage in the amount of EUR 2.0 million and satisfied the action in the claim to refute one factual allegation. The court ordered both parties to cover their own procedural expenses. MM Grupp OÜ appealed the judgement to Tallinn Circuit Court. On 2 February 2022, Tallinn Circuit Court ruled in favour of AS Ekspress Meedia in an action brought by MM Grupp OÜ pertaining to rebuttal of false data and compensation for damages. The procedural costs at both instances shall be borne by the plaintiff. MM Grupp OÜ appealed in cassation to the Supreme Court. 13 June 2022, the Supreme Court dismissed the appeal in cassation of MM Grupp OÜ against AS Ekspress Meedia pertaining to rebuttal of false data and compensation for damages and MM Grupp OÜ shall bear the costs of the proceedings in the cassation instance.

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

The Management Board confirms that the management report and interim consolidated financial statements of AS Ekspress Grupp disclosed on pages 3 to 35 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>	28.07.2022
Signe Kukin	member of the Management Board	<i>signed digitally</i>	28.07.2022
Kaspar Hanni	member of the Management Board	<i>signed digitally</i>	28.07.2022

BRIEF OVERVIEW OF THE GROUP

Ekspress Grupp with its more than 30-year history is the leading media group in the Baltic States that owns five media companies in Estonia, Latvia and Lithuania. In addition, the Group owns several portals and companies providing digital entertainment solutions. It organises cultural and sports as well as other events on socially important topics in all Baltic States. The key focus is to provide the best solutions to media consumers, advertising customers and cooperation partners using modern digital solutions and services.

- **Key activity:** production of journalistic content and sale of advertisements to digital platforms in all Baltic States. Publishing of newspapers, magazines and books in Estonia.
- **Key activities are supported by** IT development, solutions of audio-visual production, rental of advertising space, home delivery of paper periodicals.
- **Development of digital business lines:** in 2021, the Group exited the printing segment after which the Group's revenue base became almost entirely digital. At the end of 2021, digital products/services contributed 76% to the Group's total revenue.
- Management of the **ticket sales platform** and **ticket sales sites** in Estonia and Latvia.
- Advertising sales on **digital outdoor screens** in Estonia and Latvia.
- Importance of organisation of **entertainment events and thematic conferences** will increase.

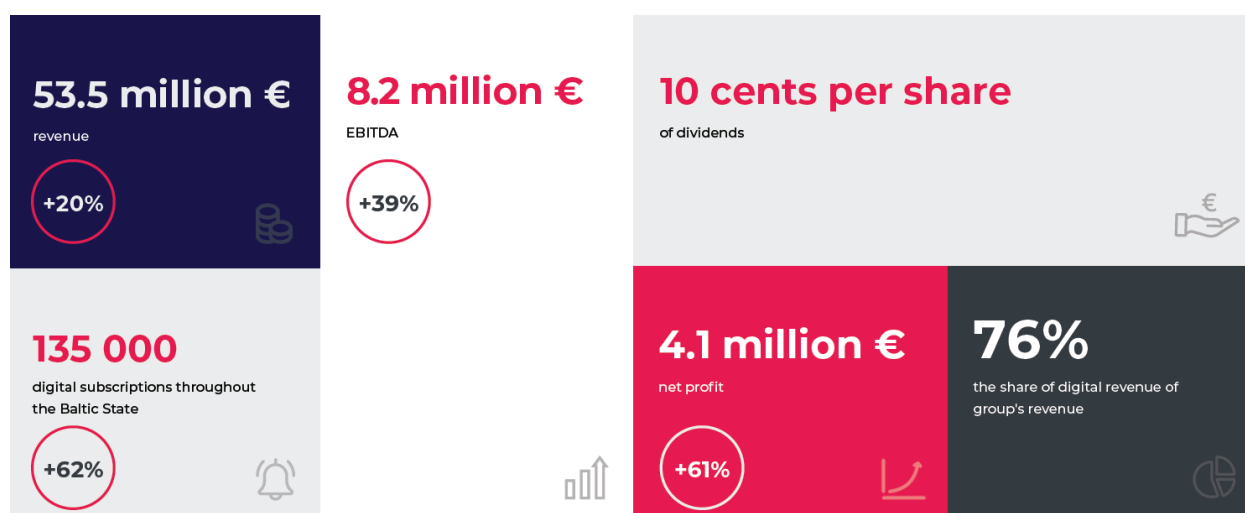
The customers of Ekspress Grupp are divided into three major groups:

- Consumers of media content (both retail and business customers),
- Advertising buyers,
- Other private and legal customers that buy the services of group companies.

In 2021, Ekspress Grupp reinforced its positions in all areas of operation. In the financial year, the ongoing spread of the coronavirus significantly impacted the work of group companies, primarily challenging the work procedures of media publications and turning other services digital.

The shares of AS Ekspress Grupp have been listed on NASDAQ Tallinn Stock Exchange since 5 April 2007. The key shareholder is Hans H. Luik, whose ownership interest as the final beneficiary through various entities is 73.23%.

Ekspress Grupp in figures (2021 – continuing operations)



* The number of digital subscriptions also includes the figures of joint ventures.

Digital
Matter

 altero.ee

BABAHH

 BİLƏŞÜ
PARADİZE

 LINNA EKRAANID

 Ds
dscreens.lv

HEA
LUGU

EKSPRESS
MEED/A

 KINNIS-
VARA
24

 geenius

exP
ost

Õhtuleht
Kirjastus

Delfi

 Eesti Päevaleht

EESTI EKSPRESS

Maaleht

Kroonika

EESTI
NAINE

anne
& stül

PERE ja KODU

MAAKODU

Oma Maitse

Tervis PLUS

piletitasku

Õhtuleht

Tiiu

Naisteleht

 Naisteleht
55+

 tv
teleleht

Kodukiri

Nipiraamat

käsitöö

 Kalale! LOODUSES

Eesti Ajalugu

Eesti Mets

*Brands that AS Ekspress Grupp owns or has invested in

*Detailed information about our brands and businesses on the [website of AS Ekspress Grupp](#)