AS EKSPRESS GRUPP

GROUP

Consolidated Interim Report for

the Third Quarter and Nine Months of 2018

(unaudited)

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GENERAL INFORMATION

Company name	AS Ekspress Grupp
Registration number	10004677
Address	Parda 6, Tallinn 10151
Phone	669 8381
Fax	669 8081
E-mail	egrupp@egrupp.ee
Internet homepage	egrupp.ee
Main field of activity	Media and related activities
Beginning of reporting period	1 January 2018
End of reporting period	30 September 2018
Financial year	1 January - 31 December
Management Board	Mari-Liis Rüütsalu
	Signe Kukin
	Kaspar Hanni
Supervisory Board	Andre Veskimeister
	Hans H. Luik
	Harri Helmer Roschier
	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 39 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	*signed digitally*	30.10.2018
Signe Kukin	member of the Management Board	*signed digitally*	30.10.2018
Kaspar Hanni	member of the Management Board	*signed digitally*	30.10.2018

BRIEF OVERVIEW

AS Ekspress Grupp is the leading media group in the Baltic States that owns the most well-known online media portals in Estonia, Latvia and Lithuania, publishes the most popular newspapers and magazines and arranges their home delivery in Estonia. In addition to its own periodicals, it also provides printing services to other Estonian and foreign customers.

In addition to creating of high-quality and reliable media content, Ekspress Group also aims at providing more entertainment and experiences.

In planning its activities, each group entity independently takes into account the peculiarities of its field of activity, market and development stage. The objective of the media segment is to provide high-quality and diverse leading journalism in online channels that is based on the principles of free journalism, while being supported by the fastest postal and courier service. The printing services segment is characterised by innovative solutions and environmentally-friendly production.

The shares of AS Ekspress Grupp are 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 54.48%.

News portals owned by the Group

Owner	Portal	Owner	Portal
AS Ekspress Meedia	www.delfi.ee	AS Ekspress Meedia	www.ekspress.ee
	rus.delfi.ee		www.maaleht.ee
Delfi A/S	www.delfi.lv		www.epl.ee
	rus.delfi.lv		
Delfi UAB	www.delfi.lt	AS Õhtuleht Kirjastus	www.ohtuleht.ee
	ru.delfi.lt		www.vecherka.ee

Ekspress Grupp in figures (2017)

Over 1600

EMPLOYEES

READERSHIP OF OVER

2.5 million

IN PORTALS AND PAPER PERIODICALS THROUGHOUT THE BALTIC STATES

25

REGULARLY PUBLISHED MISCELLANEOUS PERIODICALS IN ESTONIA AND LITHUANIA

75 000

DIGITAL SUBSCRIBERS

16%

ONLINE REVENUE GROWTH

REVENUE

EUR 64 million

GROUP'S KEY BUSINESSES

AS Ekspress Meedia Estonia	Ekspress Meedia publishes the internet portal Delfi with almost 600 thousand monthly visitors, newspapers Eesti Ekspress, Eesti Päevaleht and Maaleht, and magazine Maakodu. From 1 June 2018, seven magazines were transferred from Ajakirjade Kirjastus with over 43 000 subscribers.
A/S Delfi Latvia	Delfi Latvia, an internet portal with almost 900 thousand monthly users, was recognised in 2017 as the most trustworthy news channel in Latvia.
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.
AS Õhtuleht Kirjastus Estonia	Õhtuleht Kirjastus publishes Estonia's largest daily newspaper Õhtuleht, free newspaper Linnaleht and internet portal ohtuleht.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.
OÜ Hea Lugu Estonia	Hea Lugu is a book publishing company. Hea Lugu publishes fiction, history books, autobiographies and memoires, books for children, reference books and practical handbooks. Hea Lugu operates trademarks Maailm ja Mõnda, 100 Rooga, Õhtuõpik, Eesti Ekspressi Raamat, Eesti Päevaleht, Maalehe Raamat and Raamat24.
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.
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.
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.
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.
Kinnisvarakeskkond OÜ Estonia	Kinnisvarakeskkond develops a modern real estate portal kinnisvara24.ee in co-operation with local real estate agencies and It has over 18 thousand advertisements.
ACM LV SIA Latvia	ACM is a fast-growing outdoor media company that builds and operates well-positioned digital outdoor screens in several locations across Latvia.
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.

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

MANAGEMENT REPORT

MANAGEMENT'S COMMENTS

AS Ekspress Grupp's sales volume grew both in the 3rd quarter as well as over the 9-month period. The Group's revenue in the 3rd quarter increased by 4% and totalled EUR 15.6 million and the 9-month revenue by 8% and totalled EUR 49.6 million. The Group's digital revenue increased by 25% as compared to the same period last year and made up 37% of total sales.

In the 3rd quarter, the Group's EBITDA totalled EUR 0.6 million and EUR 3.0 million over the 9-month period. Compared to the previous period, EBITDA decreased by EUR 1.1 million in the 3rd quarter and by EUR 2.2 million in 9-month comparison. The profitability was positively influenced by the fast growth of digital revenues, but reduced by lower-than-expected result in printing services segment, the growth of several input prices as well as one-off costs related to the reorganisation of the business of Ajakirjade Kirjastus.

The Group continues to focus on digital revenue growth. In a situation where the circulation of print media is stalling or declining, the growth of digital revenue is unable to fully compensate this decline. Media consumption habits of consumers are changing and more consumers opt for digital content while many of them are still not used to paying for digital content. The Group is constantly making efforts in this area to increase the number of digital subscribers as this represents a significant growth opportunity for us. We have made available for our readers a number of new formats that add new outputs to our digital products, including content listening using speech synthesis and different podcast formats, the most famous of which is the sport broadcast "Men don’t cry".

In the 3rd quarter, the marketing and sales activities of the Group's real estate portal Kinnisvara24.ee were fully launched. The portal's first active months of operation may be considered successful for the portal - as of the end of September, we have caught up with the second-largest portal in the market City24.ee both in terms of the number of advertisements as well users. At the end of September, the number of advertisements in Kinnisvara24.ee was approximately 21 thousand which is about 82% of the volume of the second largest portal in the market.

In the 3rd quarter, several important events took place in experience marketing area, the largest one was an entertainment event with more than 25 000 participants in Kaunas, Lithuania. The arrangement of events and activities is an area that we want to develop further, as it will differ from our traditional approach and has profitable synergies with other areas of the Group.

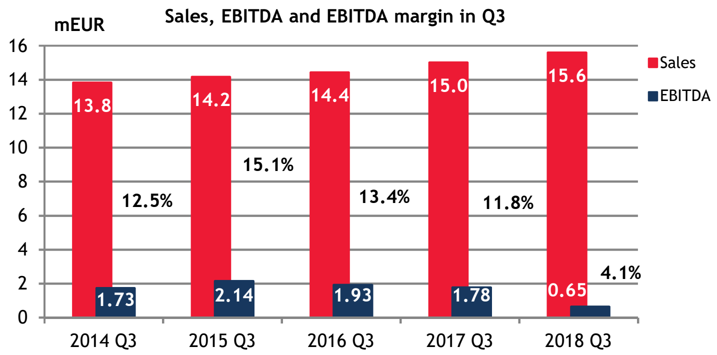
In Lithuania, we have launched a fight against fake news in cooperation with the state and other partners. (demaskuok.lt). This initiative has received positive feedback and support both on the local as well as the EU level. In Latvia, we launched the topic "Women in Prison" Kletka/Krātiņš which today has more than 200 000 readers. In Latvia, the largest news portal Delfi has reached a position where country's most important television debates were conducted in Delfi environment by the best Latvian investigative journalists Janis Domburs.

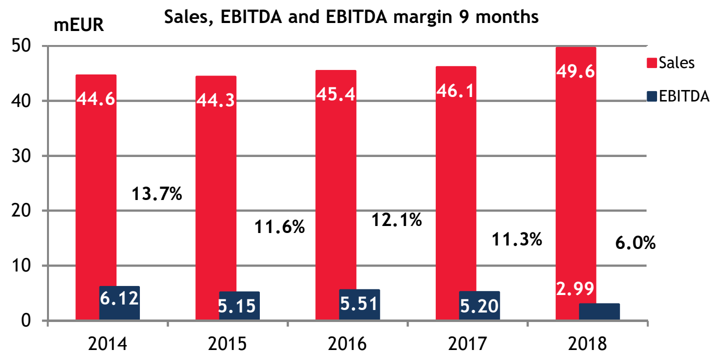
The Group's printing house is under a strong price pressure due to falling circulations which has led to a greater than expected decline in the segment's profitability. Higher input prices, including primarily labour, electricity and paper costs have had an additional effect on the results.

Despite higher sales volumes, the Group’s profitability is under pressure primarily due to the intensifying competitive situation in the media and printing services segments. In the following periods, management will pay attention and keep looking for additional opportunities to improve profitability and increase efficiency.

SUMMARY OF THE RESULTS FOR THE THIRD QUARTER AND NINE MONTHS

In the Group's reporting, the management monitors the performance on the basis of proportional consolidation of joint ventures. The syndicated loan contract also determines the calculation of some loan covenants while taking into account proportional consolidation.





REVENUE

The consolidated revenue for the 3rd quarter of 2018 totalled EUR 15.6 million (Q3 2017: EUR 15.0 million) and the revenue for the 9 months of 2018 totalled EUR 49.6 million (9 months 2017: EUR 46.1 million). Revenue increased by 8% as compared to last year. Revenue growth is primarily attributable to the acquisition of the majority holding of the provider of an advertising network and programmatic sales solutions Adnet Media last November which together with Delfi entities has significantly increased the Group's online revenue and its share in total revenue. By the end of the 3rd quarter, the share of the Group's digital revenue increased to 37% of total revenue which is by far the highest percentage. The Group's digital revenue for the 9 months of 2018 increased by 25% as compared to the same period last year.

PROFITABILITY

In the 3rd quarter of 2018, the consolidated EBITDA totalled EUR 0.65 million (Q3 2017: EUR 1.78 million) and over the 9 months of 2018, EBITDA was EUR 2.99 million (9 months 2017: EUR 5.20 million). EBITDA decreased by 42% as compared to last year. The EBITDA margin declined to 6.0% (9 months 2017: 11.3%). The consolidated net profit for the 9 months of 2018 was EUR 0.27 million (9 months 2017: EUR 2.44 million) and the net margin totalled 0.5% (9 months 2017: 5.3%). The decline in profitability was primarily related to the intensifying competition of the printing services segment and the increase in input prices. In addition, it was related to the decline in the revenue of print media and higher home delivery and labour costs (growth +8% vs 9 months 2017) as well as one-off costs related to reorganisation (9 months 2018: EUR 0.26 million).

CASH POSITION

At the end of the reporting period, the Group had available cash by proportional consolidation in the amount of EUR 1.1 million and equity in the amount of EUR 50.7 million (65% of total assets). The comparative information as of 30 September 2017 were EUR 3.0 million and EUR 51.7 million (67% of total assets), respectively. As of 30 September 2018, the Group's net debt totalled EUR 15.4 million (30 September 2017: EUR 13.2 million).

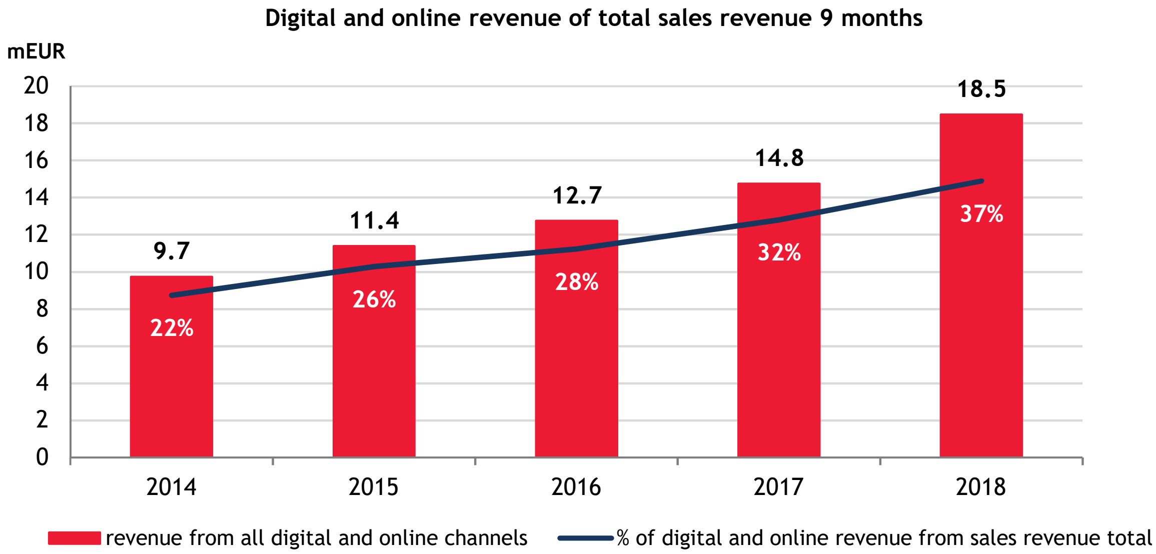
BUSINESS OPERATIONS

In the consolidated financial reports 50% joint ventures are recognised under the equity method, in compliance with **International Financial Reporting Standards (IFRS).** In its monthly reports, the management monitors the Group's performance on the basis of proportional consolidation of joint ventures and the syndicated loan contract also determines the calculation of some loan covenants by proportional consolidation.
For the purpose of clarity, the management report shows two sets of indicators: one where joint ventures are consolidated line-by-line and the other where joint ventures are recognised under the equity method and their net result is presented as financial income in one line.

FINANCIAL INDICATORS AND RATIOS – joint ventures consolidated 50% line-by-line

Performance indicators - joint ventures consolidated 50% (EUR thousand)	Q3 2018	Q3 2017	Change %	9 months 2018	9 months 2017	Change %	12 months 2017
For the period							
Sales	15 596	15 014	4%	49 606	46 093	8%	63 699
EBITDA	**647**	**1 775**	**-64%**	**2 991**	**5 202**	**-42%**	**6 713**
EBITDA margin (%)	***4.1%***	***11.8%***		***6.0%***	***11.3%***		**10.5%**
Operating profit*	(195)	1 005	-119%	695	2 896	-76%	*3 526*
Operating margin (%)*	*-1.2%*	*6.7%*		*1.4%*	*6.3%*		*5.5%*
Interest expenses	(111)	(102)	-10%	(317)	(324)	2%	(427)
Net profit/(loss)* for the period	**(387)**	**813**	**-148%**	**266**	**2 444**	**-89%**	**2 952**
Net margin* (%)	***-2.5%***	***5.4%***		***0.5%***	***5.3%***		***4.6%***
Net profit (-loss) for the period in the financial statements (incl. write-downs and gain from change in ownership interest)	(387)	813	-148%	266	2 444	-89%	3 146
Net margin (%)	*-2.5%*	*5.4%*		*0.5%*	*5.3%*		*4.9%*
Return on assets ROA (%)	*-0.5%*	*1.1%*		*0.3%*	*3.2%*		*4.1%*
Return on equity (%)	*-0.8%*	*1.6%*		*0.5%*	*4.8%*		*6.1%*
Earnings per share (EPS)	**(0.01)**	**0.03**		**0.01**	**0.08**		**0.11**

* The results reflect the outcome of regular business activities and do not include impairment losses on goodwill, gains from the changes in ownership interests in joint ventures, etc.



Financial indicators and ratios under the equity method are disclosed on pages 14-15 of the financial statements.

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 portal providing online advertising network and programmatic sales, outdoor digital screen advertising in Estonia and Latvia, publishing of the Estonian weekly newspapers Maaleht, Eesti Ekspress and LP, the daily newspaper Päevaleht, tabloid Õhtuleht, freesheet Linnaleht, publishing of books and magazines in Estonia, publishing of magazines in Lithuania until December 2017 and providing home delivery services.

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.

Segment EBITDA does not include one-off write-downs for goodwill and trademarks. Volume-based and other fees payable to advertising agencies are deducted from the advertising sales of segments.

Key financial indicators for segments

(EUR thousand)				Revenue			
	Q3 2018	Q3 2017	Change %	9 months 2018	9 months 2017	Change %	12 months 2017
Media segment (under equity method)	8 593	7 639	12%	26 002	22 890	14%	33 498
incl. revenue from all digital and online channels	*5 555*	*4 594*	*21%*	*17 468*	*13 911*	*26%*	*19 963*
Printing services segment	5 614	5 418	4%	18 190	17 383	5%	23 879
Corporate functions	615	633	-3%	2 004	1 799	11%	2 486
Inter-segment eliminations	(1 052)	(967)		(3 105)	(3 018)		(5 793)
TOTAL GROUP under equity method	**13 770**	**12 723**	**8%**	**43 091**	**39 054**	**10%**	**54 070**
Media segment (by proportional consolidation)	10 573	10 222	3%	33 208	30 822	8%	44 429
incl. revenue from all digital and online channels	*5 875*	*4 876*	*20%*	*18 471*	*14 751*	*25%*	*21 024*
Printing services segment	5 614	5 418	4%	18 190	17 383	5%	23 879
Corporate functions	615	633	-3%	2 004	1 799	11%	2 486
Inter-segment eliminations	(1 206)	(1 259)		(3 796)	(3 911)		(7 095)
TOTAL GROUP by proportional consolidation	**15 596**	**15 014**	**4%**	**49 606**	**46 093**	**8%**	**63 699**

(EUR thousand)				EBITDA			
	Q3 2018	Q3 2017	Change %	9 months 2018	9 months 2017	Change %	12 months 2017
Media segment (under equity method)	625	1 019	-39%	2 022	2 561	-21%	3 729
Media segment (by proportional consolidation)	*616*	*1 141*	*-46%*	*2 108*	*3 092*	*-32%*	*4 181*
Printing services segment	440	860	-49%	1 924	2 782	-31%	3 734
Corporate functions	(409)	(226)	-81%	(1 042)	(672)	-55%	(1 202)
Inter-segment eliminations	0	0		1	0		0
TOTAL GROUP under equity method	**656**	**1 653**	**-60%**	**2 905**	**4 671**	**-38%**	**6 261**
TOTAL GROUP by proportional consolidation	**647**	**1 775**	**-64%**	**2 991**	**5 202**	**-42%**	**6 713**

EBITDA margin	Q3 2018	Q3 2017	9 months 2018	9 months 2017	12 months 2017
Media segment (under equity method)	7%	13%	8%	11%	11%
Media segment (by proportional consolidation)	*6%*	*11%*	*6%*	*10%*	*9%*
Printing services segment	8%	16%	11%	16%	16%
TOTAL GROUP under equity method	**5%**	**13%**	**7%**	**12%**	**12%**
TOTAL GROUP by proportional consolidation	**4%**	**12%**	**6%**	**11%**	**11%**

MEDIA SEGMENT

ONLINE MEDIA

Related to Gemius changes to online readership survey methodology in the Baltic states, we are currently revising our coverage of online media (readership statistics are not comparable to earlier data).

Important progress and significant accomplishments per country are listed below.

Estonia

Significant developments and accomplishments during the quarter:

- Delfi launched new podcasts centre „Delfi Tasku“,
- Delfi launched new versions of its mobile applications,
- Ekspress Meedia posted all-time highest results in single-article sales,
- Õhtuleht increased digital subscriptions ca 12% compared to previous quarter,
- Õhtuleht launched new layout in multiple sub-sections of the portal,
- Õhtuleht launched its new web shop pood.ohtulehtkirjastus.ee.

Latvia

Significant developments and accomplishments during the quarter:

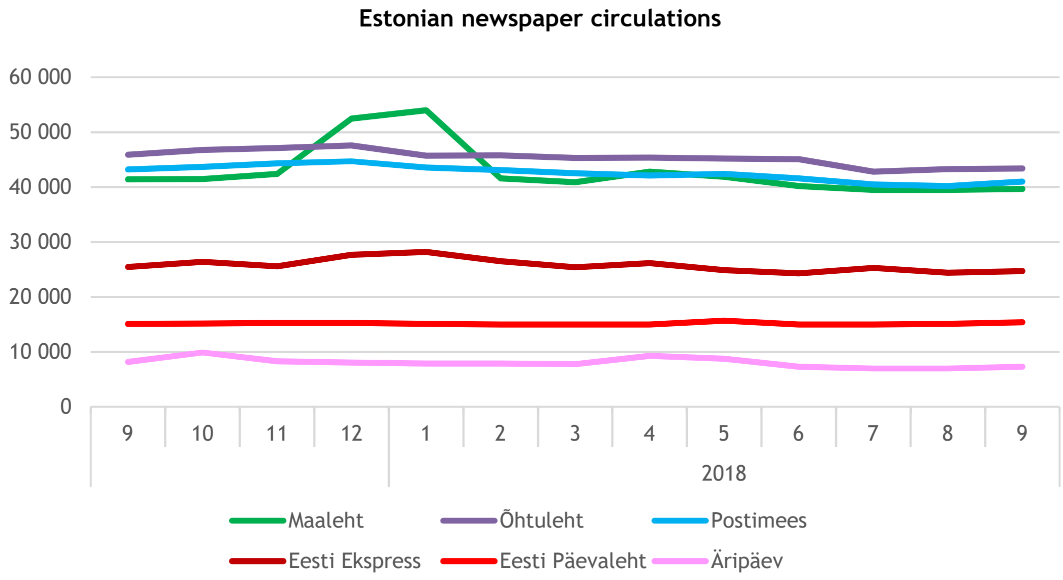
- Delfi launched a present for Latvia's century - special project "100 years in 100 days" which runs for 100 days preceding Independence day.
- Delfi coverage of the Latvian Song and Dance festival with liveblogs and video streams,
- Delfi served as main media partner for a number of high profile events such as Positivus festival, International Early Music Festival, World RX of Latvia and others,
- Delfi started with pre-election content, including video debates and interviews with candidates,
- Delfi started to broadcast Estonian-Latvian basketball league and Estonian-Latvian volleyball league games,
- Delfi launched responsive design layout for part of the traffic.

Lithuania

Significant developments and accomplishments during the quarter:

- Delfi completed the overhaul of its TV studio,
- Delfi launched TV show “DELFI in the spotlight”- live talk show 4 times a week, covering the most important topics of the day with Edmundas Jakilaitis.
- Delfi launched live daily TV show called “DELFI day” with Arnas Mazeti,
- Delfi launched updated layout for its mobile site and a new product “DELFI Today” - morning summary of the important topics of the day,
- Delfi launched a partnership with Bloomberg, a major global provider of 24-hour financial news and information https://www.delfi.lt/verslas/bloomberg/,
- Delfi participated in the launch of unique Lithuania-born initiative https://debunk.eu/, uniting media outlets, journalists and volunteers to make society more resilient to disinformation campaigns.

PRINT MEDIA



Estonian Newspaper Association data

Based on Estonian Newspaper Association data, the daily newspaper with the largest circulation in Estonia continues to be Õhtuleht, leading over Postimees at the end of the quarter by 2400 copies. During the last 12 months, 5 largest newspapers have declined in circulation in total by ca 6900 copies.

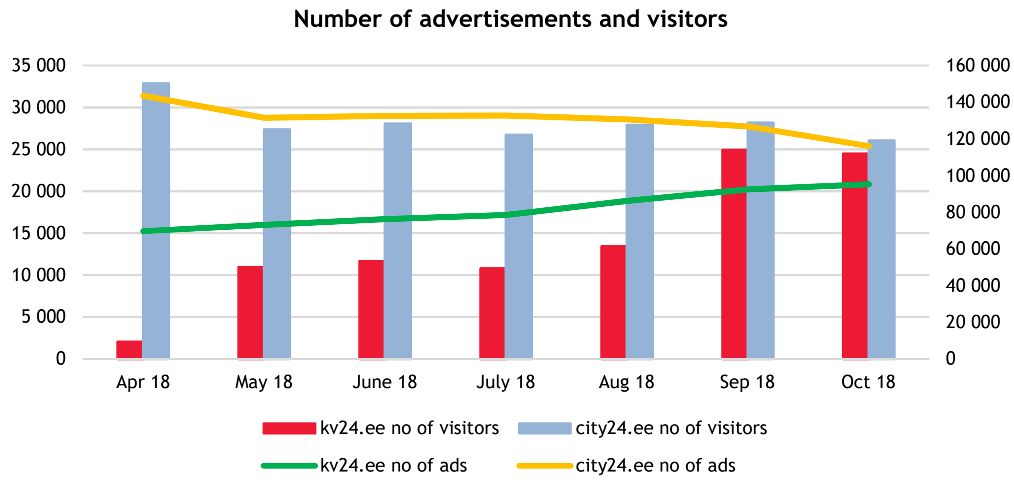
In the 3rd quarter of 2018, the revenue in the media segment totalled EUR 10.6 million (Q3 2017: EUR 10.2 million) and in the 9 months of 2018, the revenue totalled EUR 33.2 million (9 months 2017: EUR 30.8 million). Revenue increased by 8% as compared to last year. Revenue growth is primarily attributable to the acquisition of the majority holding of the provider of an advertising network and programmatic sales solutions Adnet Media last November which together with Delfi entities has significantly increased the Group's online revenue and its share in total revenue. By the end of the 3rd quarter, the share of the Group's digital revenue increased to 37% of total revenue. The Group's digital revenue for the 9 months of 2018 increased by 25% as compared to the same period last year.

In the 3rd quarter of 2018, the media segment's EBITDA was EUR 0.6 million (Q3 2017: EUR 1.1 million) and in the 9 months of 2018, the EBITDA was EUR 2.1 million (9 months 2017: EUR 3.1 million), decreasing by 32% as compared to last year. Lower profitability is related to the decline in print media and higher printing, home delivery and labour costs as well as one-off costs related to reorganisation (AS Ajakirjade Kirjastus).

On 1 June 2018, the reorganisation of the joint venture Ajakirjade Kirjastus took place. The publishing of monthly magazines was primarily moved to Ekspress Meedia and that of weekly magazines to Õhtuleht Kirjastus (former name SL Õhtuleht). From the same date, Ajakirjade Kirjastus and SL Õhtuleht are considered as merged and it now bears the name of Õhtuleht Kirjastus. The figures of Ajakirjade Kirjastus for June include the revenue and EBITDA earned until the end of May 2018.

The revenue and expenses of the magazines moved to Ekspress Meedia are for June 100% included in the figures of AS Ekspress Meedia. The figures of magazines moved to Õhtuleht Kirjastus for June are included in the income statement of Õhtuleht Kirjastus.

REAL ESTATE PORTAL



In the 3rd quarter, the marketing and sales activities of Kinnisvara24.ee were launched in full and the new real estate portal caught up with its key competitors in terms of the number of advertisements and visitors. In September, the number of unique browsers (visitors) made up 89% on average of the volume of the key competitor city24.ee and by the end of September the number of advertisements on the page Kinnisvara24.ee totalled 20761, which makes up 82% of the respective volume of our competitor. The growth in the number of advertisements is approximately 1000 advertisements per month. About 70 new real estate agencies join kinnisvara24.ee in any given month. As of the end of September, 202 real estate companies and 655 regular users had published their advertisements in the portal. The number of brokers that had joined the portal totalled 904.

PRINTING SERVICES SEGMENT

In the 3rd quarter of 2018, the revenue of AS Printall totalled EUR 5.6 million (Q3 2017: EUR 5.4 million) and in the 9 months of 2018, the revenue totalled EUR 18.2 million (9 months 2017: EUR 17.4 million). Revenue increased by 5% as compared to last year. In the 3rd quarter of 2018, EBITDA was EUR 0.4 million (Q3 2017: EUR 0.9 million) and in the 9 months of 2018, it was EUR 1.9 million (9 months 2017: EUR 2.8 million). EBITDA declined by 31% as compared to last year.

For several consecutive years, the printing services segment has been under pressure due to continued digitalisation of regular journalism and increasing popularity of 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 leads to higher printing costs. In addition, appreciation of input prices of labour, paper and electricity is another major challenge.

The revenue of AS Printall over the 9 months of 2018 outside Estonia is 60% (9 months 2017: 57%).

FINANCIAL INDICATORS AND RATIOS

Performance indicators - joint ventures under equity method (EUR thousand)	Q3 2018	Q3 2017	Change %	9 months 2018	9 months 2017	Change %	12 months 2017
For the period							
Sales	13 770	12 723	8%	43 091	39 054	10%	54 070
EBITDA	**656**	**1 653**	**-60%**	**2 905**	**4 671**	**-38%**	**6 261**
EBITDA margin (%)	***4.8%***	***13.0%***		***6.7%***	***12.0%***		***11.6%***
Operating profit*	(90)	974	-109%	700	2 635	-73%	3 475
*Operating margin *(%)*	*-0.7%*	*7.7%*		*1.6%*	*6.7%*		*6.4%*
Interest expenses	(109)	(95)	-15%	(305)	(303)	-1%	(400)
Net profit/(loss) under the equity method	(103)	22	-566%	(12)	232	-105%	(2)
Net profit/(loss)) for the period*	**(387)**	**813**	**-148%**	**266**	**2 444**	**-89%**	**2 952**
Net margin* (%)	***-2.8%***	***6.4%***		***0.6%***	***6.3%***		***5.5%***
Net profit /(-loss) in the financial statements (incl. write-downs and gain from a change in ownership interest)	(387)	813	-148%	266	2 444	-89%	3 146
Net margin (%)	*-2.8%*	*6.4%*		*0.6%*	*6.3%*		*5.8%*
Return on assets ROA (%)	*-0.5%*	*1.1%*		*0.3%*	*3.3%*		*4.2%*
Return on equity (%)	*-0.8%*	*1.6%*		*0.5%*	*4.8%*		*6.1%*
Earnings per share (EPS)	**(0.01)**	**0.03**		**0.01**	**0.08**		**0.11**

* The results reflect the outcome of regular business activities and do not include impairment losses on goodwill, gains from the changes in ownership interests in joint ventures, etc.

Financial indicators and profitability ratios by proportional consolidation are disclosed on page 9 of the financial statements.

Balance sheet (EUR thousand)	joint ventures consolidated 50%			joint ventures under equity method		
	30.09.2018	31.12.2017	Change %	30.09.2018	31.12.2017	Change %
As of the end of the period						
Current assets	15 629	16 725	-7%	14 209	13 827	3%
Non-current assets	62 744	62 597	0%	62 505	62 130	1%
Total assets	**78 373**	**79 322**	**-1%**	**76 714**	**75 957**	**1%**
incl. cash and bank	*1 084*	*2 818*	*-62%*	*658*	*1 073*	*-39%*
incl. goodwill	*39 799*	*39 920*	*0%*	*37 969*	*37 969*	*0%*
Current liabilities	12 804	11 081	16%	11 303	8 372	35%
Non-current liabilities	14 894	15 747	-5%	14 736	15 091	-2%
Total liabilities	**27 698**	**26 828**	**3%**	**26 039**	**23 463**	**11%**
incl. borrowings	*16 495*	*15 791*	*4%*	*16 410*	*15 257*	*8%*
Equity	**50 675**	**52 494**	**-3%**	**50 675**	**52 494**	**-3%**

Financial ratios (%)	joint ventures consolidated 50%		joint ventures under equity method	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Equity ratio (%)	65%	66%	66%	69%
Debt to equity ratio (%)	33%	30%	32%	29%
Debt to capital ratio (%)	23%	20%	24%	21%
Total debt/EBITDA ratio	3.66	2.35	3.65	2.44
Liquidity ratio	1.22	1.51	1.26	1.65

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 margin in financial statements/sales x100
Net margin* (%)	Net margin*/sales x100
Earnings per share	Net profit / average number of shares
Equity ratio (%)	Equity/ (liabilities + equity) x100
Dividend rate (%)	Total amount of dividends paid / Net profit
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	EBITDA/loan and interest payments for the period
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

***** The results reflect the outcome of regular business activities and do not include impairment losses on goodwill, gains from the changes in ownership interests in our joint ventures, etc.

RESPONSIBILITY OF A MEDIA GROUP IN THE SOCIETY

As a media group operating in three Baltic States, Ekspress Group plays a key role in consolidating and shaping local societies. This is the responsibility to create professional journalistic content in a high-quality, reliable and ethical manner.

The broader social responsibility of group companies stems primarily from six aspects.

<table>
<tr><td colspan="4">The society expects high-quality, reliable and ethical media space</td></tr>
<tr><td>Satisfaction of over 2.5 million end consumers shaped by: quality and continuity of content and services as well as data protection.</td><td>Dependence of today's media business on advertising customers involves careful monitoring of the line between journalistic content and advertising.</td><td>Employer for more than 1500 people means both a risk and an opportunity: stressful but exciting work related to the trends in the field, intense competition to attract talent.</td><td>Sustainable arrangement of unavoidable environmental impact of printing is a prerequisite for success in export markets while also becoming part of the requirements of customers.</td></tr>
<tr><td colspan="4">The broader public and the related parties of Ekspress Group’s assume that
group companies are managed in an honest, law-abiding and ethical manner.</td></tr>
</table>

The key role of the Group’s media companies is to provide information to people, bring transparency, honesty and equality to the society. The objective of the journalists of Ekspress Group is to create fact-based and true content placed in the reference system. The work of media companies is guided by awareness that the information space of an increasing number of groups in a society is primarily shaped by social media, information abundance and different capabilities of ordinary people to separate manipulation and deliberate misinformation from truth.

The meaning of journalistic ethics for Ekspress Group starts with independence. For the Group, it is essential that the work of journalists and publishers is not influenced by business interests, personal relations and gains. The principles of balanced journalism are followed, all parties are allowed to speak and counter-arguments are allowed; source information is always verified and verifiable and if necessary, each journalist needs to ensure source protection and confidentiality.

MEDIA DISTINCTIONS AND AWARDS IN 2018

Estonia

In March 2018, the Estonian Newspaper Association announced the winners of "Press Awards 2017", which included several employees and publications of Ekspress Group.

- The journalist of the year 2017 is **Madis Jürgen** from Eesti Ekspress.
- **Mihkel Tamm** from Eesti Päevaleht won the Estonian Young Journalist Award.
- The winner in the multimedia category was the article on Rail Baltic published in Delfi in March 2017, the authors of which were **Tanel Saarmann, Aivar Õepa, Sigrid Salutee, Ester Vaitmaa, Kerttu Pass, Madis Veltman, Andres Putting, Priit Simson, Hendrik Osula, Eiliki Pukk, Karin Kaljuläte, Siim Solman, Ago Tammik, Heleri Kuris, Liisi Viskus, Alari Heinsoo, Karl-Erik Leik and Mart Nigola.**
- The winner in the news category was **Sulev Vedler** from Eesti Ekspress with articles "Wrong Patient, Wrong Blood. The Nurse's Fatal Mistake", "PERH under pressure. The story of the hospital nurse who made the fatal blood transfusion is gaining momentum" and" How much does human life in Estonia cost? Zero euros or several millions?"
- The winner in the feature article category was **Madis Jürgen** with his articles published in Eesti Ekspress "The Unusual Prisoner" and "The Last Summer of the Former Police Chief".
- In the category of layout of nationwide newspapers, the silver award went to Eesti Ekspress (May 3 and November 8 issues) and the bronze went to Õhtuleht (December 23 and 28 issues).
- In the features category of the nationwide newspapers, the gold award went to the cover story published in Eesti Ekspress Areen "The Woman behind "November". Silver went to the article published in Õhtuleht "French Fries: Street Food or Restaurant Dish?". Bronze went to the Õhtuleht article "Parents Say that Clowns are Horrible. And Children Believe Them!" and "Mom! There is Still Hope!" published in Eesti Ekspress.
- The bronze awards of the open group went to the article in LP on the total transformation of Ott Kiivikas "From a Skinny Basketball Player to Mister Olympia" and the covers of Eesti Päevaleht "I'll Stay".
- In the category of web pages, two silver awards were issued, one of them to the Õhtuleht web page.
- In the category of digital individual projects, Delfi's "We Love Tangerines" won the Gold Award.
- The competition "Press Video of the year 2017" issued by the Estonian Association of Press Photographers was won by the DELFI TV experiment: "The Beginner's "Golden Figure" Dives into the World of Street Performers" by **Sigrid Salutee**, **Mark Šandali** and **Kadri Nikopensius**.
- In the competition "Press Photo of the Year" issued by the Estonian Association of Press Photographers, the award for the best sports photo went to **Madis Veltman** from Delfi, the award for the best feature photo went to **Rauno Volmar** from Delfi and Eesti Päevaleht LP.

Latvia

- Delfi won the award of the Latvian Journalist Association in the category of promoting culture with its project "Vaidelote".
- It was also a nominee in two award categories.
- Janis Domburs received a respectable "Inta Brikšes Award“ for its re-entry into journalism with the programme "Delfi TV together with Jānis Domburs".

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 30.09.2018, 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 31.12.2011.

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 30.09.2018 according to the Estonian Central Register of Securities

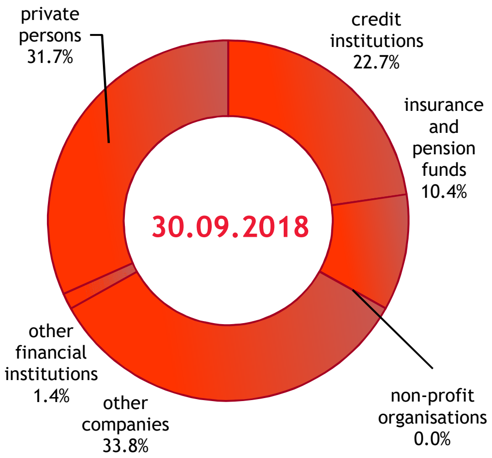
Name	Number of shares	%
Hans H. Luik	17 360 597	58.26%
Hans H. Luik	*7 963 307*	*26.73%*
Hans H. Luik, OÜ HHL Rühm	*9 390 390*	*31.51%*
Hans H. Luik, OÜ Minigert	*6 900*	*0.02%*
ING Luxembourg S.A.	4 002 052	13.43%
LHV Bank and funds managed by LHV Varahaldus	2 573 583	8.64%
SEB S.A. CLIENT ASSETS UCITS	1 273 394	4.27%
Other minority shareholders	4 569 688	15.34%
Treasury shares	17 527	0.06%
TOTAL	**29 796 841**	**100.0%**

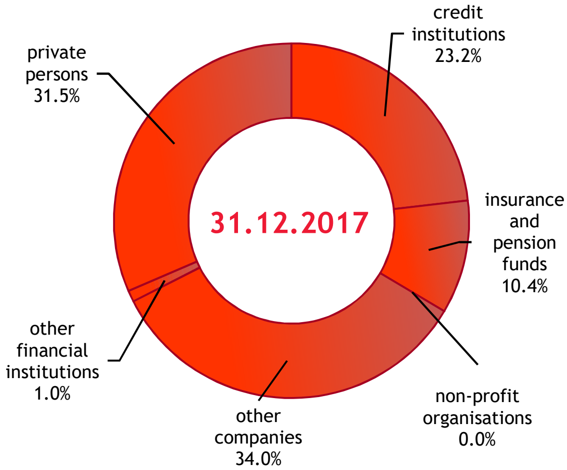
East Capital Asset Management AB has an ownership interest through the nominee account of SEB S.A. CLIENT ASSETS UCITS. KJK Fund SICAV-SIF has an ownership interest through the account of ING Luxembourg S.A.

As of 30.09.2018, the ownership interest of Hans H. Luik as the ultimate beneficiary of AS Ekspress Grupp is 54.48% (16 231 943 shares).

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

Category	30.09.2018		31.12.2017	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Private persons	2 634	9 435 522	2 665	9 379 607
Other companies	198	10 068 881	203	10 120 578
Other financial institutions	47	431 397	47	308 066
Credit institutions	12	6 754 520	14	6 903 744
Insurance and retirement funds	8	3 106 102	7	3 084 427
Non-profit organisations	2	419	2	419
TOTAL	**2 901**	**29 796 841**	**2 938**	**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 syndicated loan contract and potential investment needs. The company expects to continue with regular dividend payments to its investors.

Date of the General Meeting	20.06.2014	27.05.2015	13.06.2016	13.06.2017	06.06.2018
Period for which dividends are paid	2013	2014	2015	2016	2017
Dividend payment per share (EUR)	1 cent	4 cents	5 cents	6 cents	7 cents
Total payment of dividends (EUR thousand)	298	1 187	1 456	1 787	2 086
Dividend rate (%)	28%	23%	54%	41%	66%
Date of fixing the list of dividend recipients	09.07.2014	10.06.2015	29.06.2016	29.06.2017	20.06.2018
Date of dividend payment	02.10.2014	02.10.2015	06.07.2016	06.07.2017	03.07.2018

Securities trading history 2014-2018

Price (EUR)	9 months 2018	9 months 2017	9 months 2016	9 months 2015	9 months 2014
Opening price	1.26	1.32	1.35	1.15	1.12
Closing price	1.26	1.33	1.34	1.25	1.00
High	1.38	1.37	1.37	1.47	1.13
Low	1.16	1.26	1.18	1.07	0.79
Average	1.28	1.32	1.27	1.28	1.03
Traded shares, pieces	489 746	352 658	636 487	549 143	1 076 879
Sales, EUR million	0.63	0.47	0.81	0.70	1.11
Capitalisation at balance sheet date, EUR million	37.54	39.61	39.93	39.33	29.80

The price of the share of Ekspress Group (EEG1T) in euros and the trading statistics on Nasdaq Tallinn Stock Exchange from 1 January 2014 until 30 September 2018.

The share price comparison (%) with Nasdaq Tallinn Stock Exchange index from 1 January – 30 September 2018.

SUPERVISORY AND MANAGEMENT BOARDS OF AS EKSPRESS GRUPP

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. 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 6 June 2018, the Supervisory Board of Ekspress Group has six members instead of the former seven members.

Andre Veskimeister (appointed until 22.02.2023)

- Chairman of the Supervisory Board and member of the Audit Committee, in the Supervisory Board since 22 February 2018
- Development Manager of AS Ekspress Grupp in 2009-2017
- Chairman of the Management Board of AS Ekspress Meedia in June 2017-February 2018
- Graduated from Estonian Business School in 2004, specialising in business management
- Number of shares of AS Ekspress Grupp: -.
- Letter of resignation submitted on 29.10.2018

Hans H. Luik (appointed until 20.05.2019)

- 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: 16 231 943 (54.48%)

Harri Helmer Roschier (appointed until 20.05.2019)- independent Supervisory Board member

- Member of the Supervisory Board since 30.05.2007
- Chairman of the Board of (Directors) Avaus Marketing Innovations OY
- Chairman of the Board of (Directors) Rostek OY
- Member of the Board of (Directors) Futurice OY
- HRC Invest OY Chairman of the Management Board
- Completed graduate studies in economics
- Number of shares of AS Ekspress Grupp: -.

Indrek Kasela (appointed until 20.05.2019) – 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)

- 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: -.

Marek Kiisa, an independent Supervisory Board member from 26.10.2016 until 06.06.2018, was recalled from the Supervisory Board with the resolution of the General Meeting of Shareholders held at 06.06.2018.

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 of Ekspress Group does not have any right to issue shares of the company. The members of the Management Board are elected for a period of up to 5 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 three and five members. The Management Board of Ekspress Group has three members.

Mari-Liis Rüütsalu

- Chairman of the Management Board and Chief Executive Officer of the Group since 01.01.2017 with the term of office of up to 5 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

Kaspar Hanni

- 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

Signe Kukin

- 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
- Auditor at Deloitte 1997-2001
- Graduated from Tallinn University of Technology 1999 (diploma studies)
- Association of Chartered Certified Accountants – ACCA, Fellow Member - FCCA 2004

Pirje Raidma was member of the Management Board (Chief Financial Officer of the Group) from 07.10.2010 until 31.07.2018.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

(EUR thousand)	30.09.2018	31.12.2017
ASSETS		
Current assets		
Cash and cash equivalents	658	1 073
Trade and other receivables	9 668	9 918
Corporate income tax prepayment	211	4
Inventories	3 672	2 832
Total current assets	**14 209**	**13 827**
Non-current assets		
Trade and other receivables	1 143	1 749
Deferred tax asset	47	47
Investments in joint ventures	2 891	2 372
Investments in associates	378	354
Property, plant and equipment (Note 5)	11 909	12 189
Intangible assets (Note 5)	46 137	45 419
Total non-current assets	**62 505**	**62 130**
TOTAL ASSETS	**76 714**	**75 957**
LIABILITIES		
Current liabilities		
Borrowings (Note 7)	1 674	166
Trade and other payables	9 434	8 095
Corporate income tax payable	195	111
Total current liabilities	**11 303**	**8 372**
Non-current liabilities		
Long-term borrowings (Note 7)	14 736	15 091
Total non-current liabilities	**14 736**	**15 091**
TOTAL LIABILITIES	**26 039**	**23 463**
EQUITY		
Minority shareholding	66	68
Capital and reserves attributable to equity holders of parent company:		
Share capital (Note 11)	17 878	17 878
Share premium	14 277	14 277
Treasury shares (Note 11)	(22)	(22)
Reserves (Note 11)	1 688	1 531
Retained earnings	16 788	18 762
Total capital and reserves attributable to equity holders of parent company	**50 609**	**52 426**
TOTAL EQUITY	**50 675**	**52 494**
TOTAL LIABILITIES AND EQUITY	**76 714**	**75 957**

The Notes presented on pages 27-39 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q3 2018	Q3 2017	9 months 2018	9 months 2017
Sales	13 770	12 723	43 091	39 054
Cost of sales	(11 399)	(10 169)	(34 989)	(30 968)
Gross profit	**2 371**	**2 554**	**8 102**	**8 086**
Other income	61	269	222	717
Marketing expenses	(693)	(563)	(2 177)	(2 077)
Administrative expenses	(1 815)	(1 274)	(5 398)	(4 037)
Other expenses	(14)	(12)	(49)	(54)
Operating profit	**(90)**	**974**	**700**	**2 635**
Interest income	30	23	118	137
Interest expenses	(109)	(95)	(305)	(303)
Other finance income/ (costs)	(17)	(19)	(51)	(52)
Net finance cost	**(96)**	**(91)**	**(238)**	**(218)**
Profit (loss) on shares of joint ventures	(103)	22	(12)	232
Profit (loss) on shares of associates	9	(28)	10	(51)
Profit before income tax	**(280)**	**877**	**460**	**2 598**
Income tax expense	(107)	(64)	(194)	(154)
Net profit for the reporting period	**(387)**	**813**	**266**	**2 444**
Net profit for the reporting period attributable to				
Equity holders of the parent company	(386)	813	268	2 444
Minority shareholders	(1)	0	(2)	0
Total comprehensive income	**(387)**	**813**	**266**	**2 444**
Comprehensive income for the reporting period attributable to				
Equity holders of the parent company	(386)	813	268	2 444
Minority shareholders	(1)	0	(2)	0
Basic and diluted earnings per share (Note 9)	(0.01)	0.03	0.01	0.08

The Notes presented on pages 27-39 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						Minority interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total		
Balance on 31.12.2016	**17 878**	**14 277**	**(863)**	**2 058**	**17 723**	**51 073**	**0**	**51 073**
Increase of statutory reserve capital	0	0	0	220	(220)	**0**	0	**0**
Share option	0	0	841	(747)	(94)	**0**	0	**0**
Dividends paid	0	0	0	0	(1 787)	**(1 787)**	0	**(1 787)**
Total transactions with owners	*0*	*0*	*841*	*(527)*	*(2 101)*	***(1 787)***	*0*	***(1 787)***
Net profit for the reporting period	0	0	0	0	2 444	**2 444**	0	**2 444**
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*2 444*	***2 444***	*0*	***2 444***
Balance on 30.09.2017	**17 787**	**14 277**	**(22)**	**1 531**	**18 066**	**51 730**	**0**	**51 730**
Balance on 31.12.2017	**17 878**	**14 277**	**(22)**	**1 531**	**18 762**	**52 426**	**68**	**52 494**
Increase of statutory reserve capital	0	0	0	157	(157)	0	0	0
Dividends paid	0	0	0	0	(2 085)	(2 085)	0	(2 085)
Total transactions with owners	*0*	*0*	*0*	*157*	*(2 242)*	*(2 085)*	*0*	*(2 085)*
Net profit for the reporting period	0	0	0	0	268	268	(2)	266
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*268*	*268*	*(2)*	*266*
Balance on 30.09.2018	**17 878**	**14 277**	**(22)**	**1 688**	**16 788**	**50 609**	**66**	**50 675**

The Notes presented on pages 27-39 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	9 months 2018	9 months 2017
Cash flows from operating activities		
Operating profit for the reporting year	700	2 635
Adjustments for:		
Depreciation, amortisation and impairment (Note 5)	2 204	2 036
(Gain)/loss on sale and write-down of property, plant and equipment	(8)	(4)
Cash flows from operating activities:		
Trade and other receivables	(157)	20
Inventories	(840)	(92)
Trade and other payables	1 287	(936)
Cash generated from operations	**3 186**	**3 659**
Income tax paid	(317)	(309)
Interest paid	(305)	(303)
Net cash generated from operating activities	**2 564**	**3 047**
Cash flows from investing activities		
Interest received	70	144
Purchase of subsidiaries	0	(390)
Purchase of associates	0	(74)
Purchase of other investments (Note 4)	(1 000)	(35)
Purchase of property, plant and equipment (Note 5)	(1 663)	(1 185)
Proceeds from sale of property, plant and equipment	27	14
Loans granted	(551)	(2 079)
Loan repayments received	1 069	1 053
Net cash used in investing activities	**(2 047)**	**(2 552)**
Cash flows from financing activities		
Dividends paid	(2 085)	(1 787)
Dividends received	0	56
Finance lease payments made	(55)	(52)
Change in overdraft	1 008	376
Loans received (Note 7)	1 000	0
Repayments of bank loans (Note 7)	(800)	(553)
Net cash used in financing activities	**(932)**	**(1 960)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(415)**	**(1 465)**
Cash and cash equivalents at the beginning of the year	1 073	2 856
Cash and cash equivalents at the end of the year	658	1 391

The Notes presented on pages 27-39 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 interim financial statements on 30 October 2018. 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 30.09.2018	Ownership interest 31.12.2017	Main field of activity	Domicile
Operating segment: corporate functions					
Ekspress Grupp AS	Parent company			Holding company and support services	Estonia
Ekspress Digital OÜ	Subsidiary	100%	100%	Provision of IT services	Estonia
Ekspress Finance OÜ	Subsidiary	100%	100%	Provision of financing for the Group	Estonia
Operating segment: media (online and print media)					
Ekspress Meedia AS (former Delfi AS)	Subsidiary	100%	100%	Online media, publishing of daily and weekly newspapers. From 1 June, also publishing of magazines.	Estonia
Delfi A/S	Subsidiary	100%	100%	Online media	Latvia
ACM LV SIA	Subsidiary	100%	100%	Sale of outdoor advertising (acquired in July 2017)	Latvia
Delfi UAB	Subsidiary	100%	100%	Online media (magazine business was sold in Decembers 2017)	Lithuania
Sport Media UAB	Subsidiary	51%	51%	Currently dormant	Lithuania
Delfi Holding SIA	Subsidiary	100%	100%	Holding company (previously parent company to Delfi companies in different countries)	Latvia
Hea Lugu OÜ	Subsidiary	83%	83%	Book publishing (merged with the book-publishing department of Ajakirjade Kirjastus in 2017)	Estonia
Adnet Media UAB	Subsidiary	100%	100%	Online advertising solutions and network	Lithuania
Adnet Media OÜ	Subsidiary	100%	100%	Online advertising solutions and network	Estonia
Adnet Media SIA	Subsidiary	100%	100%	Online advertising solutions and network	Latvia
Videotinkas UAB	Associate	45%	45%	Content creation production studio	Lithuania
Zave Media OÜ	Subsidiary	100%	100%	Operations moved to Delfi local companies. From 1 October merged with AS Ekspress Meedia	Estonia
Ajakirjade Kirjastus AS	Joint venture	-	50%	Magazine publishing. Reorganised on 1June 2018 and merged with Õhtuleht Kirjastus	Estonia
Õhtuleht Kirjastus AS	Joint venture	50%	50%	Newspaper publishing. From 1 June 2018 also publishing of magazines as an outcome of the merger with Ajakirjade Kirjastus.	Estonia
Express Post AS	Joint venture	50%	50%	Home delivery of periodicals	Estonia
Linna Ekraanid OÜ	Joint venture	50%	50%	Sale of digital outdoor advertising	Estonia
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 (established in August 2017)	Estonia
Operating segment: printing services					
Printall AS	Subsidiary	100%	100%	Printing services	Estonia
Operating segment: entertainment					
Delfi Entertainment SIA	Subsidiary	100%	100%	Currently dormant	Latvia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 3nd quarter and 9 months of 2018 ended on 30.09.2018 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 2017.

The Management Board estimates that the interim consolidated financial statements for the 3rd quarter and 9 months of 2018 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.

Starting from 1 January 2018, several new standards, amendments to standards and interpretations were entered into force which became mandatory for the Group but none of which have an impact on the Group's interim financial statements.

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. Since the Group invests available liquid funds in the banks with the credit rating of "A" they do not expose the Group to substantial credit risk.

Bank account balances (incl. term deposits) by credit ratings of the banks

Bank	Moody`s	Standard & Poor`s	30.09.2018	31.12.2017
SEB	Aa2	A+	293	339
Swedbank	Aa2	AA-	336	519
Luminor/LHV	Aa2/-	A+/-	8	201
Total			**637**	**1 059**

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. 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 Krediidiinfo 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, in particular in the segment of printing services, clients are requested to make prepayment or provide a guarantee letter.

The Group is not aware of any substantial risks related to the concentration of its clients and partners. 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 eight 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 syndicated 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	30.09.2018 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Fixed and floating interest rate	0%+2.15%	Syndicated loan (Parent Company)	0	8 767	8 767
	0%+2.15%	Syndicated loan (Printall)	0	5 827	5 827
	3-month Euribor + 2.5%	Short-term loan (parent company)	500	0	500
	1-month Euribor + 2.3%	Finance lease (Printall)	73	142	215
	1-month Euribor + 1.9%	Overdraft	1 101	0	1 101

Type of interest	Interest rate	31.12.2017 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Fixed and floating interest rate	0%+2.15%	Syndicated loan (Parent Company)	0	9 067	9 067
	0%+2.15%	Syndicated loan (Printall)	0	5 827	5 827
	1-month Euribor + 2.3%	Finance lease (Printall)	74	197	271
	1-month Euribor + 1.9%	Overdraft	92	0	92

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 Lithuanian. 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 foreign contracts. The subsidiary Printall exports outside of euro-zone and it also issues invoices denominated in Norwegian kroner and Swedish kronor. In 2018, ca 1% (2017: *ca* 2%) 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 into euros immediately after their receipt in order to reduce open foreign currency positions. No other means are used for hedging foreign exchange risk.

As of 30.09.2018, the Group's foreign currency risk related to NOK was EUR 43 thousand and to SEK, EUR 70 thousand. As of 31.12.2017, the Group foreign currency risk related to SEK was EUR 55 thousand and to other currencies (NOK, USD), EUR 103 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)	30.09.2018	31.12.2017
Interest-bearing debt	16 410	15 257
Cash and bank accounts	658	1 073
Net debt	15 753	14 184
Equity	50 675	52 494
Total capital	66 427	66 678
Debt to capital ratio	**24%**	**21%**
Total assets	76 714	75 957
Equity ratio	**66%**	**69%**

Note 4. Business combinations

On 8 October 2018, the merger agreement was signed whereby AS Ekspress Grupp's subsidiary OÜ Zave Media will be merged with AS Ekspress Grupp's subsidiary AS Ekspress Meedia from 1 October 2018. The merger agreement was concluded for the purpose of simplifying the Group's management and legal structure.

On 21 March 2018, the Estonian Competition Authority approved the transaction for reorganisation of AS Ajakirjade Kirjastus by Ekspress Grupp and Suits Meedia. From 1 June 2018, the magazines Eesti Naine, Anne and Stiil, Pere and Kodu, Oma Maitse, Tervis Pluss, Jana and Kroonika owned by AS Ajakirjade Kirjastus are published by Ekspress Meedia and the other magazines were moved to AS SL Õhtuleht. In the course of this transaction, the magazine business was sold to AS Ekspress Meedia on 31 May 2018, after which AS Ajakirjade Kirjastus merged with AS SL Õhtuleht on 1 June. The ownership structure of the merged entity AS Õhtuleht Kirjastus did not change. Ekspress Grupp still owns 50% and Suits Meedia owns 50% of the company. AS Ekspress Meedia paid EUR 1 million for the acquired magazines.

Reorganisations will be carried out to enhance the future outlook of the magazines. The main goal of the change is to create a better online output for the content of printed magazines of Ajakirjade Kirjastus, integrating these more tightly with other strong digital publishing platforms of the owners.

On November 16, 2017, AS Ekspress Grupp acquired 51% of the shares in **UAB Adnet Media** after obtaining a permission from the Lithuanian Competition Authority. As a result, AS Ekspress Grupp now owns 100% of the company's shares. AS Ekspress Grupp owned 49% of the company's shares since autumn 2014. UAB Adnet Media is engaged in the sale of internet advertising in Estonia, Latvia and Lithuania. The acquisition price was EUR 415 000. In accounting, the transaction was recognised in two parts: the sale of a 49% stake acquired previously and the acquisition of 100% of the company and control thereof. In the case of the sale transaction, profit In the amount of EUR 190 000 is included in financial income.

On 17 July 2017 A/S Delfi (Latvia) acquired a 100% stake in **ACM LV SIA**, which is engaged in sales of digital outdoor advertising in Latvia. The acquisition price was EUR 390 000. The purchase supports the Group's goal to develop digital outdoor advertising in all three Baltic countries and thereby increase its portfolio of activities.

The following table provides an overview of acquired identifiable assets and liabilities at the time of acquisition. The purchase analysis is based on the Adnet Media balance sheet as of 30.11.2017 and the balance sheet of ACM LV SIA as at 31.07.2017.

(EUR thousand)	Adnet Media UAB (100%)		ACM LV SIA (100%)	
	Fair value	Carrying amount	Fair value	Carrying amount
Net assets	103	103	85	85
Intangible assets	0	0	0	0
Total identifiable assets	**103**	**103**	**85**	**85**
Goodwill	**712**		**305**	
Cost of ownership interest	815		390	
Paid for ownership interest in cash	415		390	
Cash and cash equivalent in acquired company	248		12	
Cash effect on Group	**(167)**		**(378)**	

Note 5. Property, plant and equipment, and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	9 months 2018	9 months 2017	9 months 2018	9 months 2017
Balance at beginning of the period				
Cost	33 992	33 166	64 141	64 329
Accumulated depreciation and amortisation	(21 804)	(20 444)	(18 722)	(20 019)
Carrying amount	**12 189**	**12 722**	**45 419**	**44 310**
Acquisitions and improvements	1 425	894	238	290
Acquired through business combinations	0	64	1 000	305
Disposals (at carrying amount)	(19)	(10)	0	0
Write-down and write-off of non-current assets	(2)	(10)	0	0
Depreciation and amortisation	(1 684)	(1 616)	(520)	(420)
Balance at end of the period				
Cost	35 284	33 560	65 381	64 924
Accumulated depreciation and amortisation	(23 375)	(21 516)	(19 244)	(20 439)
Carrying amount	**11 909**	**12 044**	**46 137**	**44 485**

Information about the items of non-current assets pledged as loan collateral is disclosed in Note 7.

Note 6. Intangible assets

Intangible assets by type

(in thousands)	EUR 30.09.2018	EUR 31.12.2017
Goodwill	37 969	37 969
Trademarks	6 843	6 259
Other intangible assets	1 325	1 191
Total intangible assets	**46 137**	**45 419**

Goodwill by cash-generating units and segments

(in thousands)	EUR 30.09.2018	EUR 31.12.2017
Delfi	35 442	35 442
Adnet	712	712
Maaleht	1 816	1 816
Total goodwill	**37 969**	**37 969**

Note 7. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term: Up to 1 year	Repayment term: Between 1-5 years
Balance as of 30.09.2018			
Overdraft	**1 101**	1 101	0
Long-term bank loans	**14 594**	0	14 594
incl. syndicated loan (AS Ekspress Grupp)	**8 767**	0	8 767
incl. syndicated and mortgage loan (AS Printall)	**5 827**	0	5 827
Short-term loan (*AS Ekspress Grupp*)	**500**	500	0
Finance lease	**215**	73	142
Total	**16 410**	**1 674**	**14 736**
Balance as of 31.12.2017			
Overdraft	**92**	92	0
Long-term bank loans	**14 894**	0	14 894
incl. syndicated loan (AS Ekspress Grupp)	**9 067**	0	9 067
incl. syndicated and mortgage loan (AS Printall)	**5 827**	0	5 827
Finance lease	**271**	74	197
Total	**15 257**	**166**	**15 091**

The effective interest rates are very close to the nominal interest rates. The fair value of the loan liabilities is close to their book value. In April 2017, the margin has been negotiated based on market terms and the interest rate is fixed at the level of zero per cent when the three-month Euribor was still negative. It is customary to set the level of Euribor at zero at the time when it is negative. The loan liabilities are within level 3 of the fair value hierarchy.

Short-term bank loan

In June 2018, a loan agreement was concluded with AS SEB Pank in the amount of EUR 1 million. The loan amount will be paid off in two parts, EUR 500 thousand in September and EUR 500 thousand in December 500 thousand. The interest rate on the loan is 3-month Euribor, plus a margin. The loan is ensured by the personal guarantee of the ultimate controlling shareholder in the amount of EUR 500 thousand.

Long-term bank loan

In April 2017, an amendment to the syndicated loan agreement was signed with AS SEB Pank, terminating the monthly loan payments and the loan shall be paid back in a lump sum in October 2020. The interest rate on the loan is zero, plus a margin.

The syndicated loan is still guaranteed by the shares of the subsidiaries, the guarantees of Estonian subsidiaries in the amount of EUR 17 million, the commercial pledge on the assets of AS Printall in the amount of EUR 19 million, the trademarks of Delfi, Eesti Ekspress, Maaleht, Eesti Päevaleht and Eesti Ekspressi Kirjastus in the amount of EUR 5 million, the value of all of which is included within the net assets of the Group. In addition, a mortgage has been set on the registered immovable and production facilities of AS Printall. As of 30.09.2018, the carrying amount of the building was EUR 2.9 million and that of the registered immovable was EUR 0.4 million. The ultimate controlling shareholder has also given a personal guarantee in the amount of EUR 4 million to cover the syndicated loan and overdraft agreements.

According to the conditions of the loan agreement, the borrower needs to keep the total debt/EBITDA ratio below 3.0. If the latter rises above 2.5, the monthly loan payments shall be resumed. As of 30.09.2018, the total debt/EBITDA ratio calculated in accordance with the adjustments laid down in the loan contract was 3.40 (unadjusted ratio was 3.66). From October 2018, the Group shall make monthly loan payments. As of 30 September 2018, the bank has granted a one-time permission to exceed the total debt/EBITDA ratio. The Group is of opinion that the total debt/EBITDA ratio will be in compliance with the 3.0 requirement since 31.12.2018. In addition, the liquidity reserve should be held at the bank in the amount of EUR 1 million.

Overdraft facilities

As of 30.09.2018, the Group had entered into entered into a long-term overdraft facility with SEB Bank in the amount of EUR 3 million with the due date of 25.10.2020. As of 30.09.2018, the Group had used overdraft facilities in the amount of EUR 1 101 000. As of 31.12.2017, the amount of the overdraft limit used was EUR 92 000.

Note 8. 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 publications and books in Estonia and Lithuania (until 2017).

This segment includes subsidiaries Ekspress Meedia AS (former AS Delfi and AS Eesti Ajalehed in Estonia), AS Delfi (Latvia), UAB Delfi (Lithuania), Delfi Holding SIA (Latvia), OÜ Hea Lugu (Estonia), OÜ Zave Media (Estonia - merged with Ekspress Meedia AS from 1 October 2018), ACM LV SIA (Latvia) and Adnet Media (Lithuania, Estonia, Latvia). The latter was acquired in December 2017 when a 100% holding was acquired.

This segment also includes the joint ventures Linna Ekraanid OÜ, AS Ajakirjade Kirjastus (until its reorganisation on 1 June 2018), AS Õhtuleht Kirjastus 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, sales of advertising space in newspapers and magazines, revenue from subscriptions and single copy sales of newspapers and magazines, sales of books and miscellaneous book series, services fees for preparation of customer materials and other projects.

Printing services: rendering of printing and related services. This segment includes the group company AS Printall.

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 advice and accounting services to its group companies, a subsidiary OÜ Ekspress Digital that provides intra-group IT services, and OÜ Ekspress Finance, the main activity of which is intra-group financing.

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 at arm's length basis and they do not differ significantly from the conditions of the transactions concluded with third parties.

Q3 2018 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	**8 592**	**5 002**	**176**	**0**	**13 770**
Effect of joint ventures	1 980	(117)	(37)	0	1 826
Inter-segment sales	1	729	476	(1 206)	0
Total segment sales, incl. joint ventures	10 573	5 614	615	(1 206)	15 596
EBITDA (subsidiaries)	**625**	**440**	**(409)**	**0**	**656**
EBITDA margin (subsidiaries)	**7%**	**9%**			**5%**
EBITDA incl. joint ventures	*616*	*440*	*(409)*		*647*
EBITDA margin incl. joint ventures	*6%*	*8%*			*4%*
Depreciation (subsidiaries) (Note 5)					746
Operating profit (subsidiaries)					**(90)**
Investments (subsidiaries) (Note 5)					431

Q3 2017 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	**7 639**	**4 984**	**100**	**0**	**12 723**
Effect of joint ventures	2 583	(246)	(46)	0	2 291
Inter-segment sales	0	680	579	(1 259)	0
Total segment sales, incl. joint ventures	10 222	5 418	633	(1 259)	15 014
EBITDA (subsidiaries)	**1 019**	**860**	**(226)**	**0**	**1 653**
EBITDA margin (subsidiaries)	**13%**	**17%**			**13%**
EBITDA incl. joint ventures	*1 141*	*860*	*(226)*		*1 775*
EBITDA margin incl. joint ventures	*11%*	*16%*			*12%*
Depreciation (subsidiaries) (Note 5)					679
Operating profit (subsidiaries)					**974**
Investments (subsidiaries) (Note 5)					371

9 months 2018 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	**25 999**	**16 541**	**551**	**0**	**43 091**
Effect of joint ventures	7 205	(578)	(112)	0	6 515
Inter-segment sales	4	2 227	1 565	(3 796)	0
Total segment sales, incl. joint ventures	33 208	18 190	2 004	(3 796)	49 606
EBITDA (subsidiaries)	**2 022**	**1 924**	**(1 042)**	**1**	**2 905**
EBITDA margin (subsidiaries)	**8%**	**12%**			**7%**
EBITDA incl. joint ventures	*2 108*	*1 924*	*(1 042)*		*2 991*
EBITDA margin incl. joint ventures	*6%*	*11%*			*6%*
Depreciation (subsidiaries) (Note 5)					2 204
Operating profit (subsidiaries)					**700**
Investments (subsidiaries) (Note 5)					1 663

9 months 2017 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	**22 889**	**15 900**	**265**	**0**	**39 054**
Effect of joint ventures	7 931	(767)	(126)	0	7 038
Inter-segment sales	1	2 250	1 660	(3 911)	0
Total segment sales, incl. joint ventures	30 822	17 383	1 799	(3 911)	46 093
EBITDA (subsidiaries)	**2 561**	**2 782**	**(672)**	**0**	**4 671**
EBITDA margin (subsidiaries)	**11%**	**17%**			**12%**
EBITDA incl. joint ventures	*3 092*	*2 782*	*(672)*		*5 202*
EBITDA margin incl. joint ventures	*10%*	*16%*			*11%*
Depreciation (subsidiaries) (Note 5)					2 036
Operating profit (subsidiaries)					**2 635**
Investments (subsidiaries) (Note 5)					1 185

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.

EUR	Q3 2018	Q3 2017	9 months 2018	9 months 2017
Profit attributable to equity holders	(386 146)	812 871	268 164	2 443 686
Average number of ordinary shares	29 779 314	29 779 314	29 779 314	29 779 314
Basic and diluted earnings per share	**(0.01)**	**0.03**	**0.01**	**0.08**

As the Group had no instruments diluting earnings per share as of 30.09.2018 and 30.09.2017 **diluted net profit per share** was equal to regular net profit per share.

Note 10. Share option plan

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

As of 30.09.2018, 765 000 options have been issued in the framework of this stock option plan (as of 31.12.2017: 435 000 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 income statement as labour costs and, on the other hand, as a liability. As of 30.09.2018, the liability of the mentioned stock option amounted to EUR 423 000.

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 1.25-1.35, dividend rate: EUR 0.06-0.07 per share, risk-free interest rate: 1.12% -1.38%, option term: 3 years.

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 11. Equity and dividends

Share capital and share premium

As of 30 September 2018 and 31 December 2017, the share capital of AS Ekspress Grupp was EUR 17 878 105 it consisted 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 30.09.2018, the Company had 17 527 treasury shares in the total amount of EUR 22 000, to be used for the current share option plan.

Dividends

On 3 July 2018, shareholders were paid dividends in the total amount of 7 cents per share in the total amount of EUR 2.1 million. There was no accompanying income tax liability because the Company will pay out dividends it has received from its joint ventures and subsidiaries that have already paid income tax on dividends or the profit which has already been taxed in its domicile. Therefore, there will be no additional income tax to be paid on distribution of dividends from the Parent Company. As of 30.09.2018, it is possible to distribute dividends without income tax payment in the total amount EUR 19.3 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	
	30.09.2018	31.12.2017
Statutory reserve capital	1 049	892
Additional cash contribution from shareholder	639	639
Total reserves	**1 688**	**1 531**

Note 12. 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)	9 months 2018	9 months 2017
Sales of goods		
Associates	0	245
Total sale of goods	**0**	**245**
Sale of services		
Members of Supervisory Board and companies related to them	13	11
Associates	128	68
Joint ventures	1 444	1 894
Total sale of services	**1 585**	**1 973**
Total sales	**1 585**	**2 218**

PURCHASES (EUR thousand)	9 months 2018	9 months 2017
Purchase of services		
Members of Management Board and companies related to them	10	6
Members of Supervisory Board and companies related to them	292	221
Associates	74	100
Joint ventures	708	620
Total purchases of services	**1 084**	**947**

RECEIVABLES (EUR thousand)	30.09.2018	31.12.2017
Short-term receivables		
Members of Supervisory Board and companies related to them	6	1
Associates	311	186
Joint ventures	140	297
Total short-term receivables	**457**	**484**
Long-term receivables		
Joint ventures	248	875
Total long-term receivables	**248**	**875**
Total receivables	**705**	**1 359**

LIABILITIES (EUR thousand)	30.09.2018	31.12.2017
Current liabilities		
Members of Management Board and companies related to them	2	1
Members of Supervisory Board and companies related to them	12	13
Associates	10	7
Joint ventures	218	111
Total liabilities	**242**	**132**

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 syndicated loan and overdraft agreements until the guarantee expires. During the 9 months of 2018, a payment of EUR 45 000 (2017: EUR 45 000) was paid for the personal guarantee and there are no outstanding liabilities as of 30 September 2018 and 31 December 2017.

The management estimates that the transactions with related parties have been carried out at arms' length conditions.

Remuneration of members of the Management Boards of the consolidation group

(EUR thousand)	9 months 2018	9 months 2017
Salaries and other benefits (without social tax)	1 095	946
Termination benefits (without social tax)	14	42
Share option	107	0
Total (without social tax)	**1 216**	**988**

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 12 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 30.09.2018, the maximum gross amount of potential Key Management termination benefits was EUR 586 thousand (31.12.2017: EUR 537 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 13. Contingent assets and liabilities

Contingent assets and liabilities arising from pending court cases

OÜ Grupivara, minority shareholder of AS Ekspress Grupp, holding 100 shares in the Company, has challenged in the court the results of the impairment tests of goodwill of Delfi Latvia and Delfi Estonia in the financial statements for the years 2013, 2014 and 2015. The Management Board of AS Ekspress Grupp and its independent auditors are of onion that the financial statements for all the years, present fairly, in all material respects, the financial position and financial performance of the Company in accordance with the International Financial Reporting Standards as adopted by the European Commission. In relation to the years 2013 and 2014, the Supreme Court has also confirmed the Management Board's and auditors' opinion. Harju County Court has also confirmed the same related to the year 2015. OÜ Grupivara has appealed the ruling of Harju County Court, the court session was held in the Circuit Court on 25 October 2018. The judgment will be announced on 22 November 2018.

The Group's subsidiaries have also several pending court cases related to the media and published articles, the impact of which on the Group's financial results is insignificant.