AS EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT

FOR THE FIRST QUARTER OF 2018

TABLE OF CONTENTS

GENERAL INFORMATION

Beginning of reporting period	1 January 2018
End of reporting period	31 March 2018
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	www.egrupp.ee
Main field of activity	Publishing and related services
Management Board	Mari-Liis Rüütsalu
	Pirje Raidma
	Kaspar Hanni
Supervisory Board	Andre Veskimeister (Chairman) (from 22.02.2018)
	Gunnar Kobin (Chairman) (until 22.02.2018)
	Hans H. Luik
	Harri Helmer Roschier
	Indrek Kasela
	Marek Kiisa
	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 40 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*	27.04.2018
Pirje Raidma	member of the Management Board	*signed digitally*	27.04.2018
Kaspar Hanni	member of the Management Board	*signed digitally*	27.04.2018

PILLARS OF OUR ACTIVITIES

We are a media group whose goal is to create synergy between the traditional paper-based high-quality journalism and digital channels through their combined strong development while moving increasingly into entertainment business. More than 2.5 million people use our content and services in the Baltic States annually and we are striving to offer our readers and viewers most relevant information and entertainment experiences.

As the leader in the media business we need to be trustworthy. We are expected to provide journalism which is independent and based on facts, draw attention to critical issues in the society and in the world, and unite communities. In a society where social media dominates, fake news spread and trust in one other is declining, the role of high-quality media is to be a stable point of reference and a guide. The decline of trust in social media has once again opened up several possibilities for classic media organisations whose key advantages include quality and independence.

We need to ensure the attractiveness and availability of our services at a busy and fast-changing time – digital channels, video content and outdoor screens, fast payment options and desire of people to receive personal services without an eye-to-eye contact.

We need to strive at being an attractive employer to the best people. Competition to find employees is getting more intense and in changed circumstances, the employer is in a completely different role. We need to understand the expectations of the young as our future employees regarding the meaning of work, work arrangement and position. If we are successful at that, we are going to lay the foundation for the development of new services that meet the expectations of our consumers.

RESPONSIBILITY OF A MEDIA GROUP IN THE SOCIETY

As a media group operating in three Baltic States, Ekspress Group plays a key role in 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 in home countries.</td></tr>
<tr><td colspan="4">The broader public and the related parties of Ekspress Group’s assume that
group companies are managed in a 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 knowledge 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, bribes or other benefits. The principles of balanced journalism are followed, various parties are allowed to speak and counter-arguments are allowed; source information is always verifiable and if necessary, each journalist needs to ensure source protection and confidentiality.

OVERVIEW OF THE QUARTER

This is a centennial year from the birth of all three Baltic countries. In the first quarter, the editorial departments focused on covering the events dedicated to 100th anniversaries of the Republic of Estonia and the Republic of Lithuania. Many different projects were implemented and the events held in the three countries were extensively covered. In Lithuania, the celebrations were rounded up with a major conference organised by Delfi Lithuania in February, which concluded the social project "Idea for Lithuania", selecting three ground-breaking ideas that will be implemented for the benefit of the Lithuanian state. In Estonia, several Arvo Pärt music concerts were organised, and in addition in Lithuania "The Day of Best Lessons" targeted at schoolchildren was held that was attended by several tens of thousands of students. Organising events and activities under our various brands is becoming an increasingly important activity across the entire Group. This new revenue type is a good complement to our media companies, which have traditionally "lived on" advertising and distribution revenue.

Besides all of the above, we have not forgotten our role as a watchdog for the society, and we continue to provide our readers with the best and most reliable content. This is proven by the record number of prizes awarded to our journalists this year by the Estonian Newspaper Association. Our journalistic activities in Latvia also received several awards.

In March, the Competition Authority issued a license to restructure Ajakirjade Kirjastus, the Estonian largest magazine publisher. One part of Ajakirjade Kirjastus will be merged with the Group's subsidiary Ekspress Media and the other part with the joint venture SLÕhtuleht. The merger process has started and should be completed by midsummer. The main purpose of the change is to provide a better online output for the content of paper publications of Ajakirjade Kirjastus and to support the collaboration of publications with existing strong online platforms. In 2018, it is not reasonable to start building a new large web centre, but to provide readers with high-quality content in collaboration with existing platforms, i.e. Delfi and Õhtuleht. No currently published magazines are planned to be closed during the merger.

The expansion of the Group has also taken place in the direction of digital outdoor advertising. In January, we acquired a company in Tartu, and, in addition, have grown organically by installing new screens in Estonia and Latvia. Compared to the year before, the network of our digital outdoor screens has grown exponentially both in Latvia and in Estonia.

The acquisition of a majority holding in Adnet, an advertising network and provider of target group-based advertising sales solutions, last November has together with Delfis increased the Group’s online revenues and its share among total revenue. The share of the Group's digital revenues has increased to 35% of total revenue. Delfi Lithuania in particular increased revenue in the first quarter (25%). In Latvia, due to the local banking crisis and change in the pricing policy of a major media monopoly, the advertising market is temporarily stagnating, resulting in somewhat lower revenue than in the previous year.

We continue to invest in people and software solutions to enable new products to enter the market and to further develop and enhance our digital platforms and online products. We are looking for synergies between paper products and online output.

The situation is complicated for the Group's printing house, which is under strong price pressures due to falling circulations. Our strength remains very good service and the quality of work which has made it possible to expand our service to the rest of Europe, but which will take longer than expected to grow. The decline in circulations and the increase in labour costs have also affected the results of our home delivery company.

The Group's revenues for the first quarter increased by 11% to EUR 16.4 million, but EBITDA decreased and amounted to EUR 0.7 million. More detailed financial information about each group company is provided on pages 14-15.

The main reason for the decrease in EBITDA is the lower-than-expected result of printing services and the difficult situation of the home delivery company.

For the rest of the year, we are looking forward to a stabilisation of the printing services segment as well as to the smooth integration of Ajakirjade Kirjastus with Ekspress Meedia and Õhtuleht. In the business line of digital outdoor screens, the plan is to expand and take stronger position in the market.

CORPORATE STRUCTURE

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.
Delfi Latvia Latvia	Delfi Latvia, an internet portal with almost 900 thousand monthly visitors, was recognised in 2017 as the most trustworthy news channel in Latvia.
Delfi Lithuania Lithuania	Delfi Lithuania is proud to serve almost 1.3 million monthly visitors and is recognised as the premier media partner for high profile business and sports events in Lithuania.
SL Õhtuleht Estonia	SL Õhtuleht publishes Estonian largest daily newspaper Õhtuleht, free newspaper Linnaleht and internet portal ohtuleht.ee with over 300 thousand monthly visitors.
Ajakirjade Kirjastus Estonia	Ajakirjade Kirjastus publishes over 20 magazines on paper and in a digital format with over 600 thousand readers. It also publishes special-interest online content.
Hea Lugu Estonia	Hea Lugu is a book publishing company. Hea Lugu publishes fiction, history books, books for children, references and handbooks and various book series.
Ekspress Digital Estonia	Ekspress Digital is an information technology company engaged in software development. It also provides management of the technology platform to group companies.
Printall Estonia	Printall, one of the most modern printing companies In Baltics, prints the majority of periodicals and advertising materials in Estonia. It exports many of its products.
Express Post Estonia	Express Post is the only early-morning newspaper delivery company in Estonia that also provides delivery of direct mail and letters.
Babahh Estonia	Babahh Media provides a full range of professional video production, real-time and recorded video streaming, automation and video archive solutions.
Linna Ekraanid Estonia	Linna Ekraanid is a fast-growing outdoor media company that builds and operates digital outdoor screens in several cities across Estonia.
Kinnisvarakeskkond Estonia	Kinnisvarakeskkond develops a modern real estate portal kinnisvara24.ee in co-operation with local real estate agencies and has over 12 thousand listings.
ACM Latvia	ACM is a fast-growing outdoor media company that builds and operates digital outdoor screens in Latvia.
Adnet Media Estonia, Latvia, Lithuania	Adnet Media is the largest online advertising network in the Baltic States offering modern programmatic advertising, audience and campaign optimisation.

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

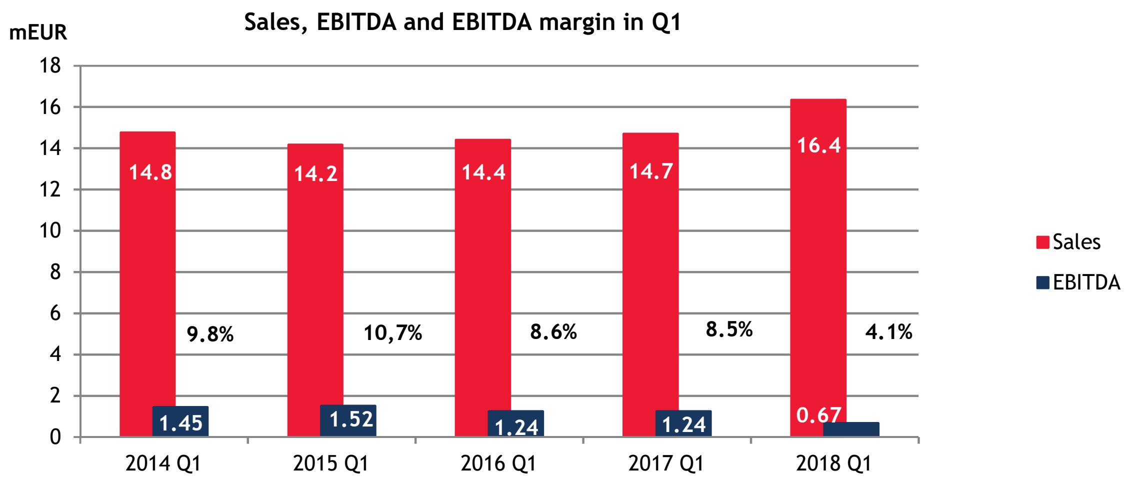
- DELFI got Latvian Journalist Association award in category Cultural journalism for the project “Vaidelote”.
- Delfi also got nominations in two other category.
- The prestigious "Inta Brikšes Prize" was awarded to Janis Domburs for a return to journalism with the program "Delfi TV with Jānis Domburs“.

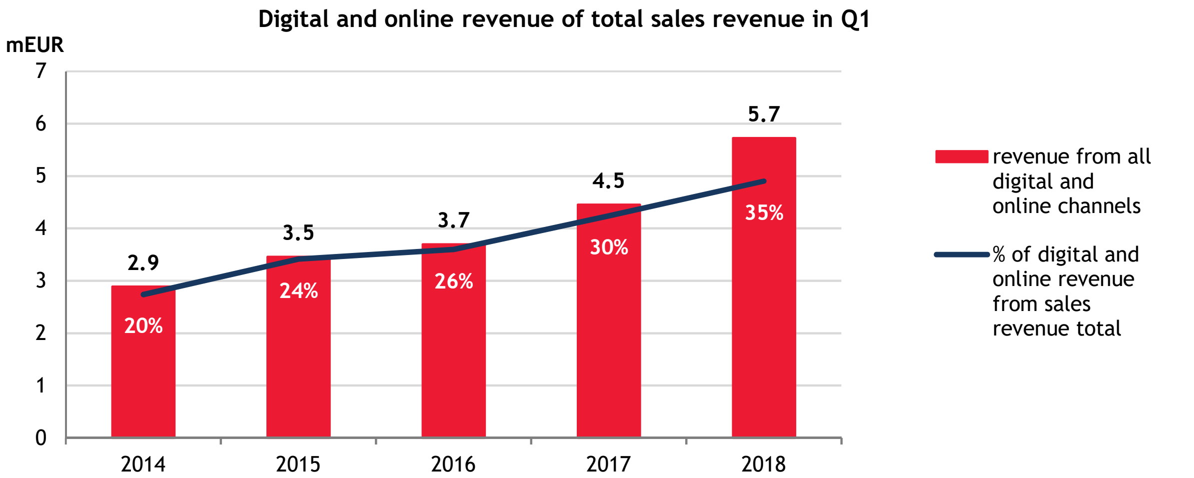
MANAGEMENT REPORT

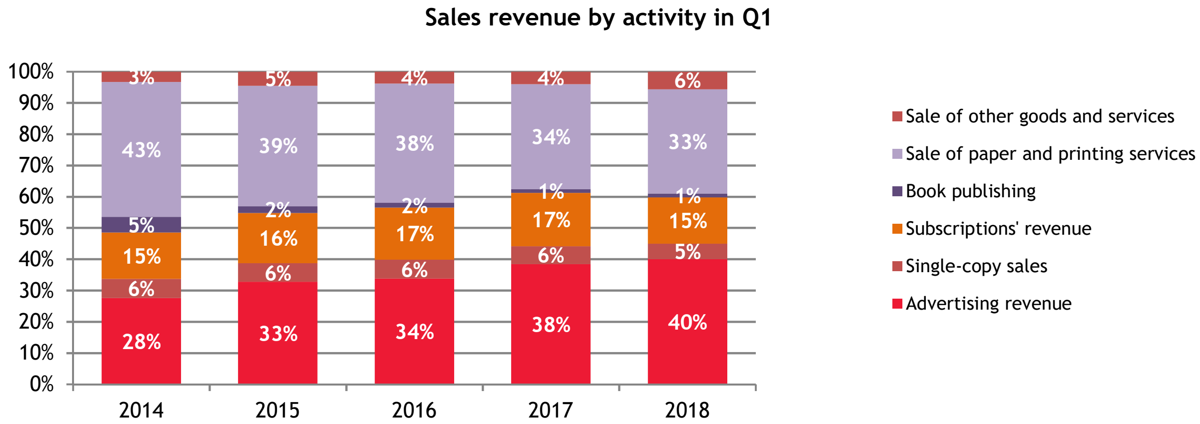
In the consolidated financial reports 50% joint ventures are recognised under the equity method, in compliance with **International Financial Reporting Standards (IFRS)**. In its monthly reports, the management monitors the Group's performance on the basis of proportional consolidation of joint ventures 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 50% 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)	Q1 2018	Q1 2017	Change %	Q1 2016	Q1 2015	Q1 2014
For the period						
Sales	16 351	14 697	11%	14 402	14 180	14 766
EBITDA	**668**	**1 242**	**-46%**	**1 242**	**1 517**	**1 454**
EBITDA margin (%)	***4.1%***	***8.5%***		***8.6%***	***10.7%***	***9.8%***
Operating profit	(160)	488	-133%	477	762	691
Operating margin (%)	*-1.0%*	*3.3%*		*3.3%*	*5.4%*	*4.7%*
Interest expenses	(103)	(116)	11%	(135)	(174)	(176)
Net profit/(loss) for the period	**(239)**	**410**	**-158%**	**312**	**556**	**503**
Net margin (%)	***-1.5%***	***2.8%***		***2.2%***	***3.9%***	***3.4%***
Return on assets ROA (%)	*-0.3%*	*0.5%*		*0.4%*	*0.7%*	*0.7%*
Return on equity (%)	*-0.5%*	*0.8%*		*0.6%*	*1.2%*	*1.2%*
Earnings per share (EPS)	**(0.01)**	**0.01**		**0.01**	**0.02**	**0.02**





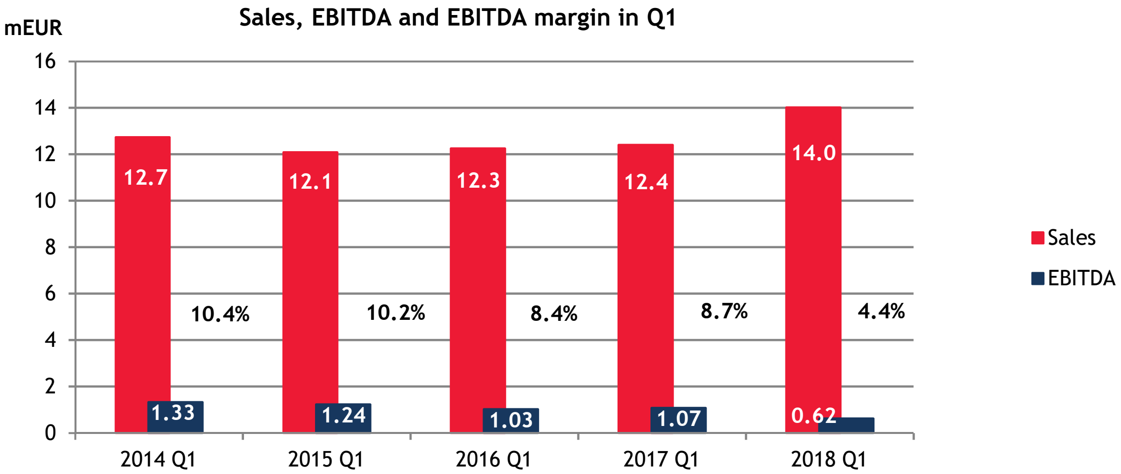


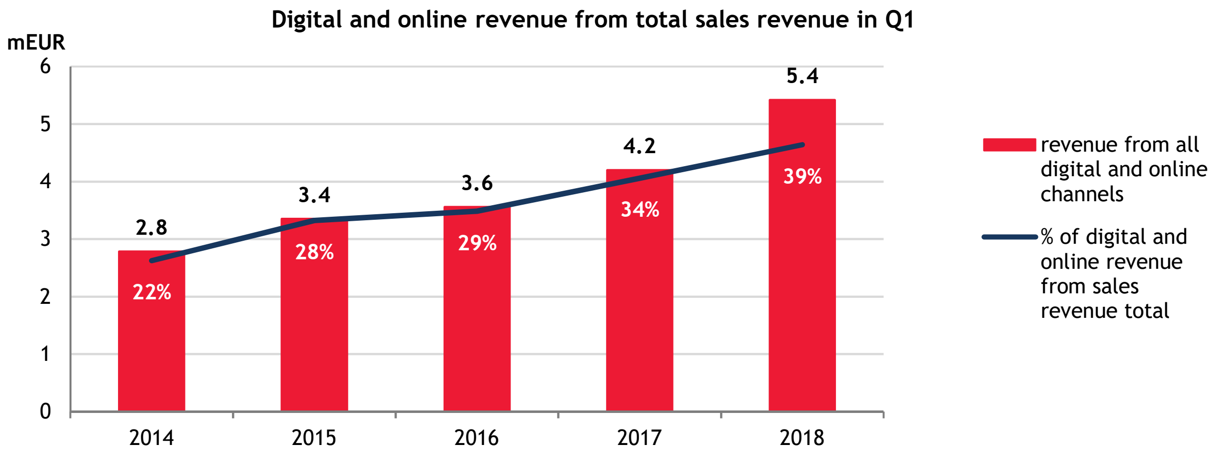
Balance sheet - joint ventures consolidated 50% (EUR thousand)	31.03.2018	31.12.2017	Change %
As of the end of the period			
Current assets	16 850	16 725	1%
Non-current assets	62 648	62 597	0%
Total assets	**79 498**	**79 322**	**0%**
incl. cash and bank	*2 417*	*2 818*	*-14%*
incl. goodwill	*39 920*	*39 920*	*0%*
Current liabilities	11 591	11 081	5%
Non-current liabilities	15 652	15 747	-1%
Total liabilities	**27 243**	**26 828**	**2%**
incl. borrowings	*15 642*	*15 791*	*-1%*
Equity	**52 255**	**52 494**	**0%**

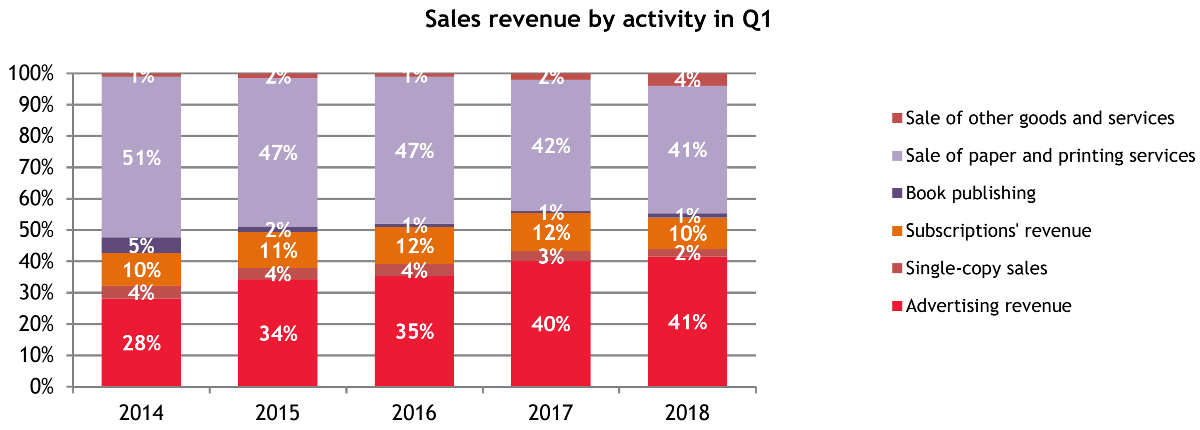
Financial ratios (%) - joint ventures consolidated 50%	31.03.2018	31.12.2017
Equity ratio (%)	66%	66%
Debt to equity ratio (%)	30%	30%
Debt to capital ratio (%)	20%	20%
Total debt/EBITDA ratio	2.55	2.35
Liquidity ratio	1.45	1.51

FINANCIAL INDICATORS AND RATIOS – joint ventures recognised under the equity method

Performance indicators - joint ventures under equity method (EUR thousand)	Q1 2018	Q1 2017	Change %	Q1 2016	Q1 2015	Q1 2014
For the period						
Sales	14 017	12 409	13%	12 255	12 093	12 734
EBITDA	**623**	**1 075**	**-42%**	**1 025**	**1 238**	**1 330**
EBITDA margin (%)	***4.4%***	***8.7%***		***8.4%***	***10.2%***	***10.4%***
Operating profit	(106)	409	-126%	324	543	593
Operating margin (%)	*-0.8%*	*3.3%*		*2.6%*	*4.5%*	*4.7%*
Interest expenses	(97)	(108)	11%	(120)	(155)	(176)
Profit /(loss) of joint ventures under equity method	(61)	68	-189%	132	194	98
Net profit/(loss) for the period	**(239)**	**410**	**-158%**	**312**	**556**	**503**
Net margin (%)	***-1.7%***	***3.3%***		***2.5%***	***4.6%***	***3.9%***
Return on assets ROA (%)	*-0.3%*	*0.6%*		*0.4%*	*0.7%*	*0.7%*
Return on equity (%)	*-0.5%*	*0.8%*		*0.6%*	*1.2%*	*1.2%*
Earnings per share (EPS)	**(0.01)**	**0.01**		**0.01**	**0.02**	**0.02**







Balance sheet - joint ventures under equity method (EUR thousand)	31.03.2018	31.12.2017	Change %
As of the end of the period			
Current assets	14 353	13 827	4%
Non-current assets	61 919	62 130	0%
Total assets	**76 272**	**75 957**	**0%**
incl. cash and bank	*1 041*	*1 073*	*-3%*
incl. goodwill	*37 969*	*37 969*	*0%*
Current liabilities	8 944	8 372	7%
Non-current liabilities	15 072	15 091	0%
Total liabilities	**24 017**	**23 463**	**2%**
incl. borrowings	*15 146*	*15 257*	*-1%*
Equity	**52 255**	**52 494**	**0%**

Financial ratios (%) - joint ventures consolidated under equity method	31.03.2018	31.12.2017
Equity ratio (%)	69%	69%
Debt to equity ratio (%)	29%	29%
Debt to capital ratio (%)	21%	21%
Total debt/EBITDA ratio	2.61	2.44
Liquidity ratio	1.60	1.65

Formulas used to calculate the financial ratios	
EBITDA	Earnings before interest, tax, depreciation and amortization. EBITDA does not include any impairment losses recognized 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
Earnings per share	Net profit / average number of shares
Equity ratio (%)	Equity/ (liabilities + equity) x100
Debt to equity ratio (%)	Interest bearing liabilities /equity x 100
Debt to capital ratio (%)	Interest bearing liabilities - cash and cash equivalents (net debt) /(net debt +equity) x 100
Total debt/EBITDA ratio	Interest bearing borrowings /EBITDA
Debt service coverage ratio	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 (%)	Net profit /average equity x 100

Cyclicality

All operating areas of the Group are characterised by cyclicality and fluctuation, related to the changes in the overall economic conditions and consumer confidence. The Group's revenue can be adversely affected by an economic slowdown or recession in home and export markets. It can appear in lower advertising costs in retail, preference of other advertising channels like preference of internet rather than print media and changes in consumption habits of retail consumers e.g. following current news in news portals versus reading printed newspapers, preference of the younger generation to use mobile devices and other communication channels, etc.

Seasonality

The revenue from the Group's advertising sales as well as in the printing services segment is impacted by major seasonal fluctuations. The level of both types of revenue is the highest in the 2nd and 4th quarter of each year and the lowest in the 3rd quarter. Revenue is higher in the 4th quarter because of higher consumer spending during the Christmas season, accompanied by the increase in advertising expenditure. Advertising expenditure is usually the lowest during the summer months, as well as during the first months of the year following Christmas and New Year's celebrations. Book sales are the strongest in the last quarter of the year. Subscriptions and retail sales of periodicals do not fluctuate as much as advertising revenue. However the summer period is always more quiet and at the beginning of the school year in September there is an increase in subscriptions and retail sale which usually continues until next summer holiday period.

SEGMENT OVERVIEW

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

The segments' EBITDA does not include intragroup management fees, impairment of goodwill and trademarks. Volume-based and other fees payable to advertising agencies have not been deducted from the advertising sales of segments, because the management monitors gross advertising sales. Discounts and rebates are reduced from the Group's sales and are included in the combined line of eliminations.

Key financial data of the segments Q1 2014-2018

(EUR thousand)		Sales			Sales	
	Q1 2018	Q1 2017	Change %	Q1 2016	Q1 2015	Q1 2014
media segment (under equity method)	8 530	7 427	15%	6 771	6 581	6 414
incl. revenue from all digital and online channels	*5 421*	*4 200*	*29%*	*3 558*	*3 350*	*2 787*
printing services segment	6 221	5 767	8%	6 341	6 318	7 062
entertainment segment	-	-	-	-	61	-
corporate functions	691	575	20%	539	471	421
intersegment eliminations	(1 425)	(1 360)		(1 395)	(1 338)	(1 163)
TOTAL GROUP under equity method	**14 017**	**12 409**	**13%**	**12 255**	**12 093**	**12 734**
media segment (by proportional consolidation)	11 162	10 026	11%	9 196	8 962	8 637
incl. revenue from all digital and online channels	*5 726*	*4 453*	*29%*	*3 699*	*3 458*	*2 887*
printing services segment	6 221	5 767	8%	6 341	6 318	7 062
entertainment segment	-	-	-	-	61	-
corporate functions	691	575	20%	539	471	421
intersegment eliminations	(1 723)	(1 671)		(1 674)	(1 632)	(1 354)
TOTAL GROUP by proportional consolidation	**16 351**	**14 697**	**11%**	**14 402**	**14 180**	**14 766**

(EUR thousand)		EBITDA			EBITDA	
	Q1 2018	Q1 2017	Change %	Q1 2016	Q1 2015	Q1 2014
media segment (under equity method)	246	353	-30%	34	279	338
media segment (by proportional consolidation)	*291*	*521*	*-44%*	*251*	*558*	*463*
printing services segment	701	897	-22%	1 182	1 161	1 459
entertainment segment	-	-	-	(2)	24	-
corporate functions	(324)	(176)	-84%	(189)	(226)	(467)
intersegment eliminations	0	0		0	0	0
TOTAL GROUP under equity method	**623**	**1 075**	**-42%**	**1 025**	**1 238**	**1 330**
TOTAL GROUP by proportional consolidation	**668**	**1 242**	**-46%**	**1 242**	**1 517**	**1 454**

EBITDA margin	Q1 2018	Q1 2017	Q1 2016	Q1 2015	Q1 2014
media segment (under equity method)	3%	5%	1%	4%	5%
media segment (by proportional consolidation)	*3%*	*5%*	*3%*	*6%*	*5%*
printing services segment	11%	16%	19%	18%	21%
TOTAL GROUP under equity method	**4%**	**9%**	**8%**	**10%**	**10%**
TOTAL GROUP by proportional consolidation	**4%**	**8%**	**9%**	**11%**	**10%**

MEDIA SEGMENT

The media segment includes the Group's activities in Estonia, Latvia and Lithuania. It comprises the operations of online portal Delfi, several different news portal providing online advertising network and programmatic sales, outdoor digital screen advertising in Estonia and Latvia, publishing the Estonian weekly newspapers Maaleht, Eesti Ekspress and LP, the daily newspaper Päevaleht, tabloid Õhtuleht, freesheet Linnaleht, publishing books and magazines in Estonia and Lithuania and providing home delivery services.

We acquired Latvian digital screen company ACM LV in the 3rd quarter of 2017 and a 100% ownership in Adnet Media in the 4th quarter of 2017.

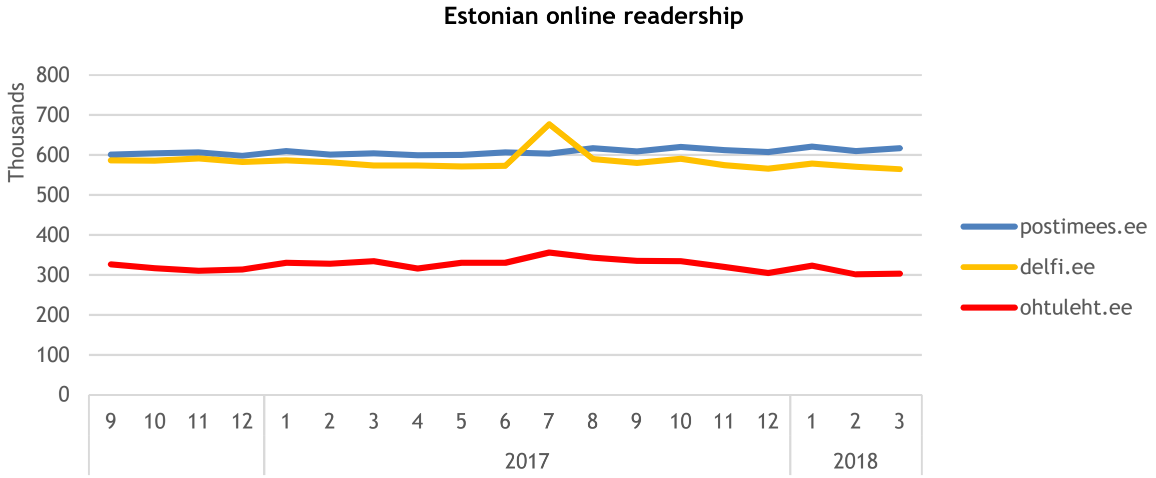
News portals owned by the Group

Owner	Portal	Owner	Portal
Ekspress Meedia	www.delfi.ee	Ekspress Meedia	www.ekspress.ee
	rus.delfi.ee		www.maaleht.ee
Delfi Latvia	www.delfi.lv		www.epl.ee
	rus.delfi.lv		
Delfi Lithuania	www.delfi.lt	SL Õhtuleht	www.ohtuleht.ee
	ru.delfi.lt		www.vecherka.ee

(EUR thousand)		Sales			EBITDA	
	Q1 2018	Q1 2017	Change %	Q1 2018	Q1 2017	Change %
Ekspress Meedia	4 854	4 495	8%	133	221	-40%
incl. Delfi Estonia online revenue	*1 606*	*1 536*	*5%*			
Delfi Latvia	840	854	-2%	(13)	87	-115%
Delfi Lithuania	2 049	1 983	3%	118	51	129%
incl. Delfi Lithuania online revenue	*2 026*	*1 618*	*25%*			
Adnet	925	-	-	48	-	-
Hea Lugu	159	95	66%	(1)	(5)	75%
ACM LV	44	-	-	(39)	-	-
Intersegment eliminations	(340)	(1)		0	0	
TOTAL subsidiaries	**8 530**	**7 427**	**15%**	**246**	**353**	**-30%**
SL Õhtuleht*	1 172	1 097	7%	70	97	-28%
Ajakirjade Kirjastus*	1 053	1 131	-7%	44	83	-47%
Express Post*	564	586	-4%	(75)	(25)	-201%
Linna Ekraanid*	96	73	32%	7	12	-44%
Intersegment eliminations	(253)	(288)		0	0	
TOTAL subsidiaries	**2 632**	**2 599**	**1%**	**45**	**168**	**-73%**
TOTAL segment by proportional consolidation	**11 162**	**10 026**	**11%**	**291**	**521**	**-44%**

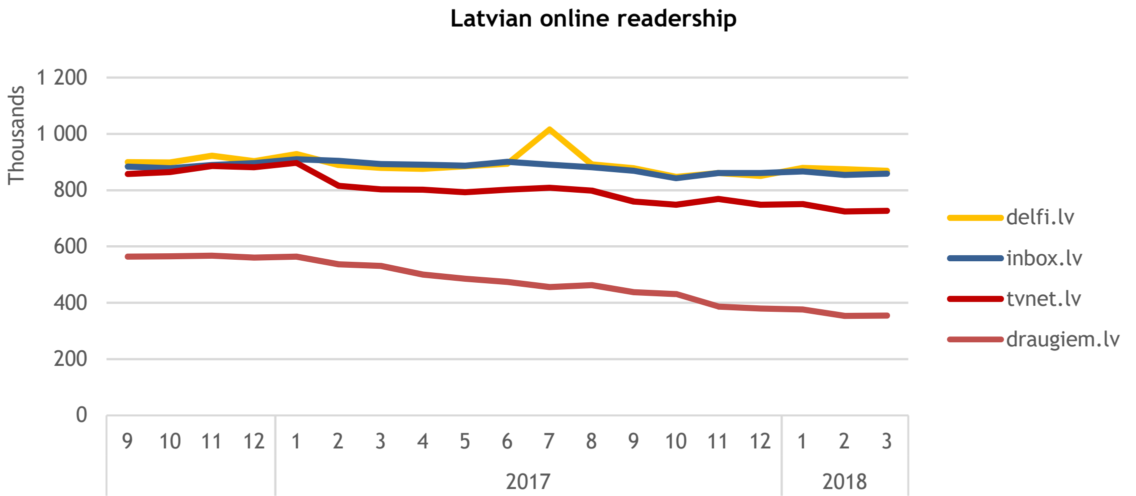
* Proportional share of joint ventures

ONLINE MEDIA



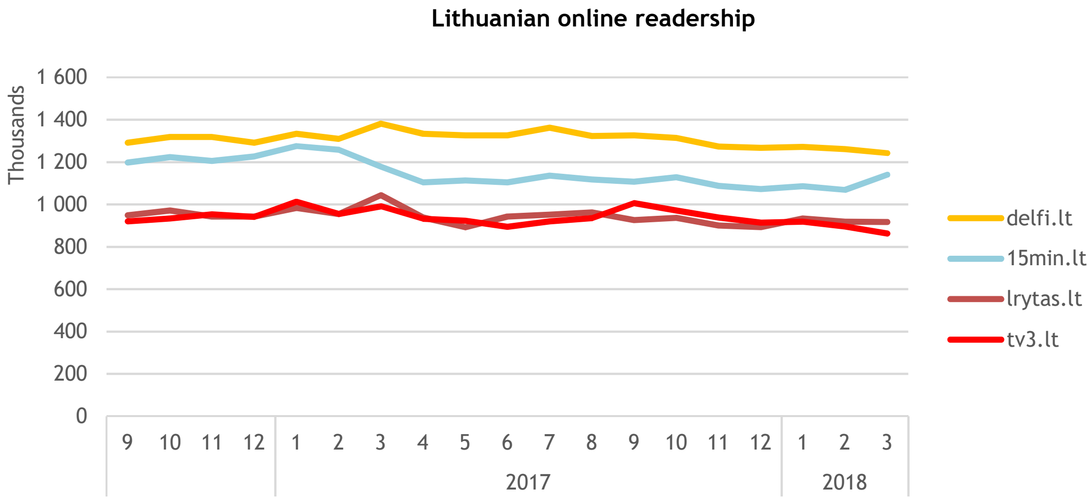
Gemius OPA monthly audience survey

In the first quarter, Delfi changed the logic of displaying advertising in all channels. The layout of the most popular news was changed and the new solution is considerably more reader-friendly. On the content side, the users of Delfi liked the coverage of the 100th anniversary of the Republic of Estonia because of its versatility, originality and diversity of genres. During the quarter, both Delfi and Õhtuleht launched new versions of their mobile applications.



Gemius OPA monthly audience survey

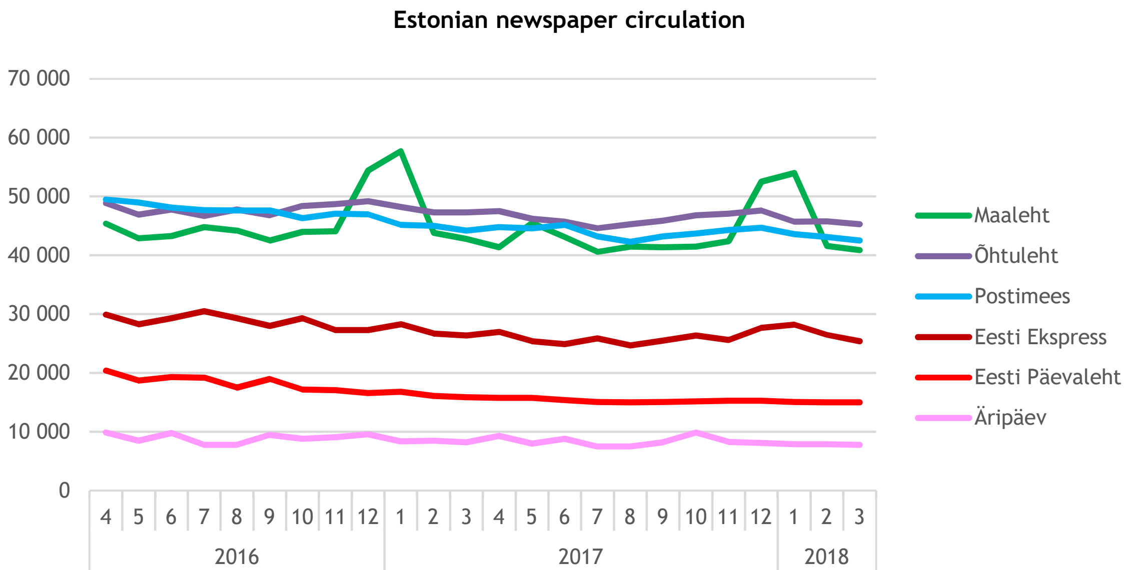
Delfi remains the news portal with the largest user base in Latvia. In the first quarter of 2018, Delfi Latvia also became the most popular web portal both in terms of the audience and page views, outperforming the local social media draugiem.lv and mailservice provider inbox.lv and Based on a study commissioned by the Latvian government in the spring 2017, Delfi.lv is Latvia's most trusted media channel, and also more trusted than the national TV station.



Gemius OPA monthly audience survey

Delfi.lt remains the largest Internet portal in Lithuania and has a significant impact on the society. The first quarter of 2018 included a number of important special projects related to the 100th anniversary of the Republic of Lithuania. In addition, during the first quarter new verticals Delfi Women and Delfi Agriculture and a new version of the modern longread-type article format were launched.

PRINT MEDIA



Estonian Newspaper Association data

Õhtuleht continues to be the daily newspaper with the largest circulation. Traditionally, Maaleht had the largest circulations in January and last December.

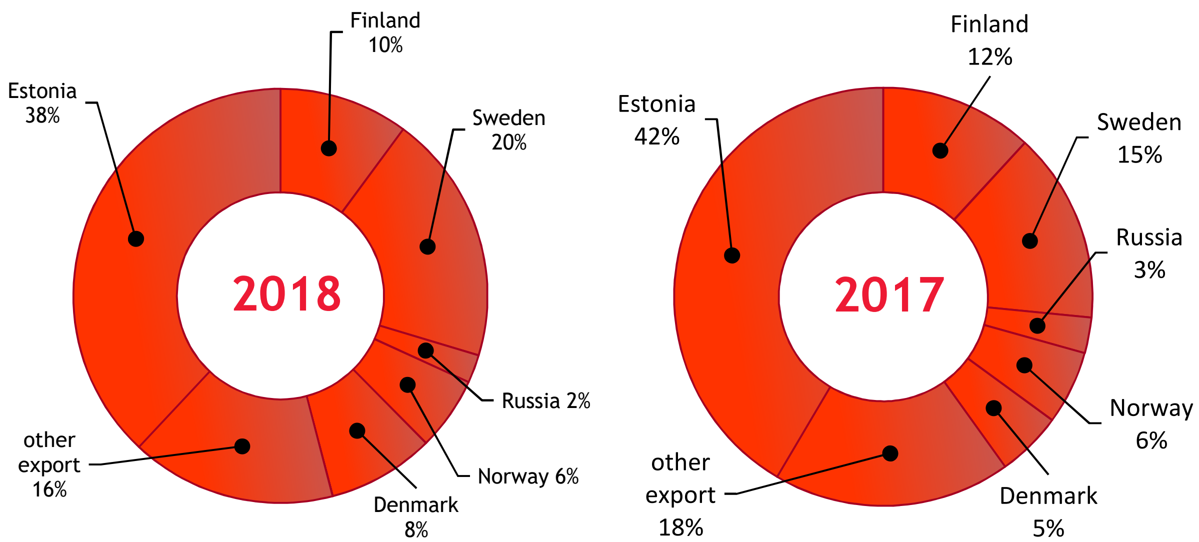
PRINTING SERVICES SEGMENT

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

(EUR thousand)	Sales			EBITDA		
	Q1 2018	Q1 2017	Change %	Q1 2018	Q1 2017	Change %
Printall	6 221	5 767	8%	701	897	-22%

For several years already, the printing services segment has been under pressure due to continued digitalisation of regular journalism and the increasing popularity of Internet as compared to printed products. The price pressure is very strong both in Scandinavia and Estonia, because other Baltic States also have very competitive services. A sheet-fed printing press purchased two years ago has helped us expand the product range also outside the regular media sector. We are also engaged in active sales activities outside Nordic countries.

Geographical break-down of printing services



SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 31.03.2018, 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.

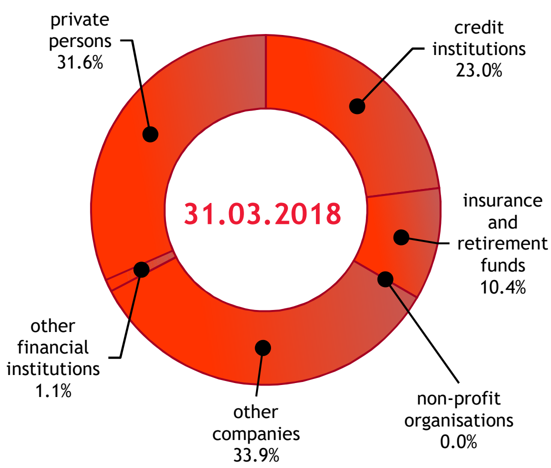
Structure of shareholders as of 31.03.2018 according to the Estonian Central Register of Securities

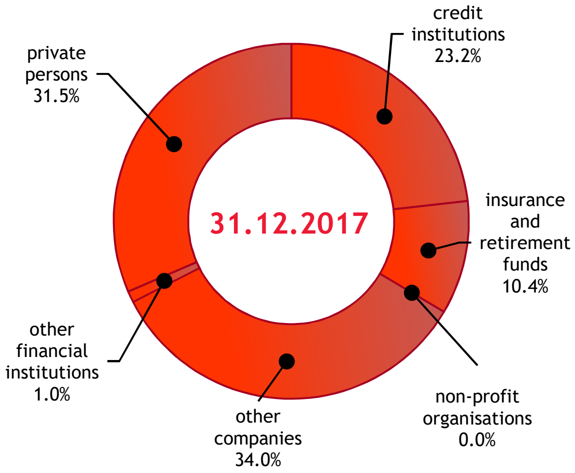
Name	Number of shares	%
Hans Luik	17 281 872	58.00%
Hans Luik	*7 963 307*	*26.73%*
Hans Luik, OÜ HHL Rühm	*9 311 665*	*31.25%*
Hans Luik, OÜ Minigert	*6 900*	*0.02%*
ING Luxembourg S.A.	4 002 052	13.43%
LHV Bank and funds managed by LHV Varahaldus	2 560 558	8.59%
SEB S.A. CLIENT ASSETS UCITS	1 273 394	4.27%
Members of the Management and Supervisory Boards and their close relatives	1 900	0.01%
Pirje Raidma, OÜ Aniston Trade	*1 900*	*0.01%*
Other minority shareholders	4 659 538	15.64%
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.

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

Category	31.03.2018 Number of shareholders	31.03.2018 Number of shares	31.12.2017 Number of shareholders	31.12.2017 Number of shares
Private persons	2 647	9 403 746	2 665	9 379 607
Other companies	199	10 110 357	203	10 120 578
Other financial institutions	44	339 001	47	308 066
Credit institutions	13	6 850 241	14	6 903 744
Insurance and retirement funds	8	3 093 077	7	3 084 427
Non-profit organisations	2	419	2	419
TOTAL	**2 913**	**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	24.05.2013	20.06.2014	27.05.2015	13.06.2016	13.06.2017
Period for which dividends are paid	2012	2013	2014	2015	2016
Dividend payment per share (EUR)	1 cent	1 cent	4 cent	5 cent	6 cent
Total payment of dividends (EUR thousand)	298	298	1 187	1 456	1 787
Date of fixing the list of dividend recipients	07.06.2013	09.07.2014	10.06.2015	29.06.2016	29.06.2017
Date of dividend payment	01.10.2013	02.10.2014	02.10.2015	06.07.2016	06.07.2017

The table below shows the stock trading history 2014-2018

Price (EUR)	Q1 2018	Q1 2017	Q1 2016	Q1 2015	Q1 2014
Opening price	1.26	1.32	1.35	1.15	1.12
Closing price	1.35	1.31	1.31	1.28	1.02
High	1.35	1.35	1.32	1.30	1.13
Low	1.22	1.26	1.18	1.07	0.99
Average	1.28	1.31	1.26	1.21	1.03
Traded shares, pieces	184 796	81 129	142 723	227 383	479 302
Sales, EUR million	0.24	0.11	0.18	0.27	0.49
Capitalisation at balance sheet date, EUR million	40.23	39.03	39.03	38.10	30.40

The price of the share of Ekspress Group (EEG1T) in euros and the trading statistics on OMX Tallinn Stock Exchange from 1 January 2014 until 31 March 2018.

The share price comparison (%) with OMX Tallinn Stock Exchange index from 1 January 2014 – 31 March 2018.

SUPERVISORY AND MANAGEMENT BOARDS OF AS EKSPRESS GRUPP

SUPERVISORY BOARD

The Supervisory Board oversights the activities and supervises the Management Board of the company. In accordance with Articles of Association the Board consists of three to seven members. The number of the members is determined by the General Meeting. The members of the Supervisory Board are elected by the General Meeting for a term of five years. The Supervisory Board of Ekspress Group has seven members.

Andre Veskimeister

- Chairman of the Supervisory Board and member of the Audit Committee
- Board member from 22 February 2018
- Development Director 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

Hans H. Luik

- Member of the Supervisory Board since 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

Harri Helmer Roschier - independent Supervisory Board member

- Member of the Supervisory Board since 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 Master's studies in economics

Indrek Kasela - independent Supervisory Board member

- Member of the Supervisory Board since 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.

Marek Kiisa - independent Supervisory Board member

- Member of the Supervisory Board since 2016
- Member of the Management Board of telecommunication infrastructure company Astrec Baltic OÜ
- Member of the Management Board of Miss Mary of Sweden OÜ
- Member of the Management Board of Dynaplay Estonia OÜ
- Member of the Management Board of Fitek AS which provides solutions for financial process automation
- Founding member and a board member of a Nordic Business Angels Network NordicBAN
- Graduated from Swedish KTH Royal Institute of Technology with a master's degree in engineering in 1995 and Estonian Business School with a degree in Business Administration in 2004.

Peeter Saks - independent Supervisory Board member

- Member of the Supervisory Board since 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, Magnetic MRO 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.

Aleksandras Česnavičius

- Member of the Supervisory Board since 2016
- General Manager of Central European Media Enterprises Ltd. Romanian region
- Managing Director of Delfi Lithuania between 2011-2013
- Graduated from Vilnius University in Lithuania with a PhD in Media in 2010

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. The Management Board of Ekspress Group has three members.

Mari-Liis Rüütsalu

- Chairman of the Management Board and CEO of the Group since 2017
- 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 2017, Innovation and Business 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.

Pirje Raidma

- Member of the Management Board since 2010, CFO of the Group
- Finance and Administrative Director of the investment bank GILD Bankers in 2006 - 2010
- Finance and Administrative Director of LHV Group in 2005 - 2006
- Auditor in PwC (worked in Estonia and the Channel Islands) in 1997 - 2005
- Graduated from University of Tartu in 1996 with a degree in international economy
- Certified Auditor and fellow of the Association of Chartered Certified Accountants, FCCA

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

(EUR thousand)	31.03.2018	31.12.2017
ASSETS		
Current assets		
Cash and cash equivalents	1 005	1 037
Term deposits	36	36
Trade and other receivables	10 022	9 917
Corporate income tax prepayment	4	4
Inventories	3 286	2 832
Total current assets	**14 353**	**13 827**
Non-current assets		
Trade and other receivables	1 758	1 750
Deferred tax asset	47	47
Investments in joint ventures	2 311	2 372
Investments in associates	354	354
Property, plant and equipment (Note 5)	12 095	12 189
Intangible assets (Note 5)	45 355	45 419
Total non-current assets	**61 919**	**62 130**
TOTAL ASSETS	**76 272**	**75 957**
LIABILITIES		
Current liabilities		
Borrowings (Note 7)	74	166
Trade and other payables	8 770	8 095
Corporate income tax payable	100	111
Total current liabilities	**8 944**	**8 372**
Non-current liabilities		
Long-term borrowings (Note 7)	15 072	15 091
Total non-current liabilities	**15 072**	**15 091**
TOTAL LIABILITIES	**24 017**	**23 463**
EQUITY		
Minority shareholding	68	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)	1 531	1 531
Retained earnings	18 523	18 762
Total capital and reserves attributable to equity holders of parent company	**52 187**	**52 426**
TOTAL EQUITY	**52 255**	**52 494**
TOTAL LIABILITIES AND EQUITY	**76 272**	**75 957**

The Notes presented on pages 28-40 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q1 2018	Q1 2017
Sales	14 017	12 409
Cost of sales	(11 564)	(10 075)
Gross profit	**2 453**	**2 334**
Other income	39	178
Marketing expenses	(767)	(716)
Administrative expenses	(1 816)	(1 362)
Other expenses	(16)	(25)
Operating profit	**(106)**	**409**
Interest income	44	59
Interest expenses	(97)	(108)
Other finance costs	(19)	(15)
Net finance cost	**(72)**	**(64)**
Profit (loss) on shares of joint ventures	(61)	68
Profit (loss) on shares of associates	0	(2)
Profit before income tax	**(239)**	**411**
Income tax expense	0	(1)
Net profit for the reporting period	**(239)**	**410**
Net profit for the reporting period attributable to		
Equity holders of the parent company	(239)	410
Minority shareholders	0	0
Other comprehensive income	0	0
Total comprehensive income	**(239)**	**410**
Comprehensive income for the reporting period attributable to		
Equity holders of the parent company	(239)	410
Minority shareholders	0	0
Basic and diluted earnings per share (Note 9)	(0.01)	0.01

The Notes presented on pages 28-40 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							
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total	Minority interest	Total equity
Balance on 31.12.2016	**17 878**	**14 277**	**(863)**	**2 058**	**17 723**	**51 073**	**0**	**51 073**
Share option	0	0	841	(747)	(94)	**0**	0	**0**
Total transactions with owners	*0*	*0*	*841*	*(747)*	*(94)*	***0***	*0*	***0***
Net profit for the reporting period	0	0	0	0	410	**410**	0	**410**
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*410*	***410***	*0*	***410***
Balance on 31.03.2017	**17 878**	**14 277**	**(22)**	**1 311**	**18 039**	**51 483**	**0**	**51 483**
Balance on 31.12.2017	**17 878**	**14 277**	**(22)**	**1 531**	**18 762**	**52 426**	**68**	**52 494**
Net profit for the reporting period	0	0	0	0	(239)	(239)	0	(239)
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*(239)*	*(239)*	*0*	*(239)*
Balance on 31.03.2018	**17 878**	**14 277**	**(22)**	**1 531**	**18 523**	**52 187**	**68**	**52 255**

The Notes presented on pages 28-40 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	Q1 2018	Q1 2017
Cash flows from operating activities		
Operating profit for the reporting year	(106)	409
Adjustments for:		
Depreciation, amortisation and impairment (Note 5)	729	666
(Gain)/loss on sale and write-down of property, plant and equipment	(3)	(3)
Cash flows from operating activities:		
Trade and other receivables	330	472
Inventories	(454)	180
Trade and other payables	656	(311)
Cash generated from operations		
Income tax paid	(11)	(73)
Interest paid	(97)	(108)
Net cash generated from operating activities	**1 044**	**1 232**
Cash flows from investing activities		
Interest received	25	6
Purchase of other investments	0	(35)
Purchase of property, plant and equipment (Note 5)	(580)	(242)
Proceeds from sale of property, plant and equipment	12	13
Loans granted	(422)	(2 000)
Loan repayments received	0	3
Net cash used in investing activities	**(966)**	**(2 255)**
Cash flows from financing activities		
Finance lease payments made	(18)	(17)
Change in overdraft	(92)	0
Repayments of bank loans (Note 7)	0	(552)
Net cash used in financing activities	**(111)**	**(569)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(32)**	**(1 593)**
Cash and cash equivalents at the beginning of the year	1 073	2 856
Cash and cash equivalents at the end of the year	1 041	1 262

The Notes presented on pages 28-40 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.

These interim financial statements were approved and signed by the Management Board on 27 April 2018.

The 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 31.03.2018	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	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
Zave Media OÜ	Subsidiary	100%	100%	Operations moved to Delfi local companies	Estonia
Ajakirjade Kirjastus AS	Joint venture	50%	50%	Magazine publishing	Estonia
SL Õhtuleht AS	Joint venture	50%	50%	Newspaper publishing	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
LedScreen OÜ	Joint venture	50%	50%	Sale of digital outdoor advertising (acquired in January 2018), in merger proceedings with the parent company	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 1st quarter ended on 31.03.2018 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 31 December 2017.

The Management Board estimates that the interim consolidated financial statements for the 1st quarter 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	31.03.2018	31.12.2017
SEB	Aa3	A+	503	339
Swedbank	Aa3	AA-	514	519
Luminor/Danske	Aa3/A2	AA-/A	14	201
Total			**1 031**	**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 some of taken by the Group are tied to Euribor. The interest rate of syndicate loan Is fixed.

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	31.03.2018 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Fixed and floating interest	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	178	252
	1-month Euribor + 1.9%	Overdraft	0	0	0

Type of interest	Interest rate	31.12.2017 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Fixed and floating interest	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 31.03.2018, the Group foreign currency risk related to the Swedish krona in the amount of EUR 37 thousand and other currencies (NOK, USD) in the amount of EUR 106 thousand. As of 31.12.2017, the Group foreign currency risk related to the Swedish krona in the amount of EUR 55 thousand and other currencies (NOK, USD) in the amount of 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)	31.03.2018	31.12.2017
Interest-bearing debt	15 146	15 257
Cash and bank accounts	1 041	1 073
Net debt	14 105	14 184
Equity	52 255	52 494
Total capital	66 361	66 678
Debt to capital ratio	**21%**	**21%**
Total assets	76 272	75 957
Equity ratio	**69%**	**69%**

Note 4. Business combinations

On November 16, 2017, AS Ekspress Grupp acquired 51% of the shares in **UAB Adnet Media** after obtaining permission from the Lithuanian Competition Authority. As a result, AS Ekspress Grupp now owns 100% of the company's shares. AS Ekspress Grupp has 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 recognized in two parts: the sale of a previous 49% stake and the acquisition of 100% of the company and control. In the case of a sale transaction, a profit of EUR 190,000 is shown in the financial income.

On July 17, 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 business 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	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Balance at beginning of the period				
Cost	33 992	33 166	64 141	64 329
Accumulated depreciation and amortisation	(21 804)	(20 446)	(18 722)	(20 018)
Carrying amount	**12 189**	**12 722**	**45 419**	**44 310**
Acquisitions and improvements	479	161	101	81
Disposals (at carrying amount)	(8)	(10)	0	0
Depreciation and amortisation	(564)	(529)	(165)	(137)
Balance at end of the period				
Cost	34 367	33 283	64 241	64 410
Accumulated depreciation and amortisation	(22 273)	(20 940)	(18 887)	(20 155)
Carrying amount	**12 095**	**12 343**	**45 355**	**44 254**

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	
	31.03.2017	31.12.2017
Goodwill	37 969	37 969
Trademarks	6 198	6 259
Other intangible assets	1 188	1 190
Total intangible assets	**45 355**	**45 419**

Goodwill by cash-generating units and segments

(in thousands)	EUR	
	31.03.2017	31.12.2017
Delfi Estonia	15 281	15 281
Delfi Latvia	7 312	7 312
Delfi Lithuania	12 848	12 848
Adnet Lithuania	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 31.03.2018			
Overdraft	**0**	0	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	**252**	74	178
Total	**15 146**	**74**	**15 072**
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 common practice 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.

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. Previously, the loan was repaid as monthly annuity payments. 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 31.03.2018, the carrying amount of the building was EUR 3.0 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 31.03.2018, the total debt/EBITDA ratio using allowable adjustments was 2.48 (unadjusted ratio was 2.55). In addition, the liquidity reserve should be held at the bank in the amount of EUR 1 million.

Overdraft facilities

As of 30.09.2017, 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 which had not been used as of the balance sheet date. As of 31.12.2017, the amount of the overdraft limit used was EUR 92 thousand.

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.

This segment includes subsidiaries AS Ekspress Meedia (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), 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 AS Ajakirjade Kirjastus, AS SL Õhtuleht, 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 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.

Q1 2018 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	**8 530**	**5 757**	**165**	**(436)**	**14 017**
Effect of joint ventures	2 632	(243)	(36)	(18)	2 334
Inter-segment sales	0	707	562	(1 269)	0
Total segment sales, incl. joint ventures	*11 162*	*6 221*	*691*	*(1 723)*	*16 351*
EBITDA (subsidiaries)	**246**	**701**	**(324)**	**0**	**623**
EBITDA margin (subsidiaries)	**3%**	**12%**			**4%**
EBITDA incl. joint ventures	*291*	*701*	*(324)*		*668*
EBITDA margin incl. joint ventures	*3%*	*11%*			*4%*
Depreciation (subsidiaries) (Note 5)					729
Operating profit (subsidiaries)					**(106)**
Investments (subsidiaries) (Note 5)					580

Q1 2017 (EUR thousand)	Media	Printing services	Corporate functions	Eliminations	Total Group
Sales to external customers (subsidiaries)	**7 427**	**5 256**	**71**	**(346)**	**12 409**
Effect of joint ventures	2 599	(261)	(34)	(16)	2 288
Inter-segment sales	0	772	538	(1 310)	0
Total segment sales, incl. joint ventures	*10 026*	*5 767*	*575*	*(1 672)*	*14 697*
EBITDA (subsidiaries)	**353**	**897**	**(176)**	**0**	**1 075**
EBITDA margin (subsidiaries)	**5%**	**16%**			**9%**
EBITDA incl. joint ventures	*521*	*897*	*(176)*	*0*	*1 242*
EBITDA margin incl. joint ventures	*5%*	*16%*			*8%*
Depreciation (subsidiaries) (Note 5)					665
Operating profit (subsidiaries)					**409**
Investments (subsidiaries) (Note 5)					243

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	Q1 2018	Q1 2017
Profit attributable to equity holders	(239 494)	410 027
Average number of ordinary shares	29 779 314	29 779 314
Basic and diluted earnings per share	(0.01)	0.01

As the Group had no instruments diluting earnings per share as of 31.03.2018 and 31.03.2017 diluted net profit per share was equal to regular net profit per share.

Note 10. Share option plan

In July 2017, the shareholders' meeting approved a new stock option scheme for key employees.

As of 31.03.2018, 794,000 options have been issued in the framework of this stock option scheme (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. Stock options can be used from December 2020.

Stock 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 at 31.03.2018, the liability of the mentioned stock options amounted to EUR 273 thousand.

The fair value of the stock options are found by using the Black-Scholes-Merton model. Prerequisites used in the models: 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.

Until the beginning of 2017, a separate share option plan was in place for the CEO of the Group. The option was exercised on 3 January 2017 and there were no additional costs related to it in 2017. This share option was considered equity-settled share-based payment. The cost related to the share option was recognised as a labour cost in the income statement and as an equity reserve which was realised in full at the beginning of 2017.

Note 11. Equity and dividends

Share capital and share premium

As of 31 March 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 between 2013-2016, the company purchased treasury shares through SEB Bank and in an OTC buyback transaction in May 2016. Ekspress Grupp had purchased ca 678 000 treasury shares at the average price of EUR 1.27 per share for the total of EUR 863 thousand. The option was exercised on 3 January 2017 and the option owner was transferred 660 400 shares. As a result, the balance of treasury shares decreased by EUR 841 thousand, of which EUR 747 thousand was covered from the option reserve and the retained earnings were reduced by EUR 94 thousand. As of 31.03.2018, the Company has 17 527 treasury shares in the total amount of EUR 22 thousand to be used for the new share option plan.

Dividends

On 6 July 2017, shareholders were paid dividends in the total amount of 6 cents per share in the total amount of EUR 1.8 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 or the profit which has already been taxed in its domicile. Therefore, there will be no additional tax to be paid on distribution of dividends from the Parent Company. As of 31.03.2018, it is possible to distribute dividends without income tax payment in the total amount EUR 21.4 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	
	31.03.2018	31.12.2017
Statutory reserve capital	892	892
Additional cash contribution from shareholder	639	639
Total reserves	**1 531**	**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)	Q1 2018	Q1 2017
Sales of goods		
Associates	0	55
Total sale of goods	**0**	**55**
Sale of services		
Members of Supervisory Board and companies related to them	4	4
Associates	68	10
Joint ventures	592	620
Total sale of services	**663**	**634**
Total sales	**663**	**689**

PURCHASES (EUR thousand)	Q1 2018	Q1 2017
Purchase of services		
Members of Management Board and companies related to them	2	2
Members of Supervisory Board and companies related to them	86	76
Associates	35	24
Joint ventures	193	220
Total purchases of services	**315**	**322**

RECEIVABLES (EUR thousand)	31.03.2018	31.12.2017
Short-term receivables		
Members of Supervisory Board and companies related to them	3	1
Associates	205	186
Joint ventures	740	297
Total short-term receivables	**948**	**484**
Long-term receivables		
Joint ventures	875	875
Total long-term receivables	**875**	**875**
Total receivables	**1 823**	**1 359**

LIABILITIES (EUR thousand)	31.03.2018	31.12.2017
Current liabilities		
Members of Management Board and companies related to them	1	1
Members of Supervisory Board and companies related to them	12	13
Associates	12	7
Joint ventures	97	111
Total liabilities	**122**	**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 1st quarter of 2018, a payment of EUR 15 thousand (2017: EUR 15 thousand) was paid for the personal guarantee and there are no outstanding liabilities as of 31 March 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)	Q1 2018	Q1 2017
Salaries and other benefits (without social tax)	358	298
Termination benefits (without social tax)	0	0
Share option	37	0
Total (without social tax)	**395**	**298**

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 usually 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 31.03.2018, the maximum gross amount of potential Key Management termination benefits was EUR 523 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 in an 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 years 2013 and 2014, the Supreme Court has also confirmed the Management Board's and auditors' opinion. The same has been confirmed by Harju County Court in relation to year 2015.

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

Note 14. Subsequent events

On 21 March 2018, the Competition Authority approved the transaction by which Ekspress Grupp and Suits Media will restructure the activities of AS Ajakirjade Kirjastus. After the change, the magazines belonging to Ajakirjade Kirjastus, i.e. Eesti Naine, Anne and Stiil, Pere ja Kodu, Oma Maitse, Tervis Pluss, Jana and Kroonika will be published by Ekspress Meedia and the other publications of the publishing house will merge with SL Õhtuleht. In the course of the transaction, the business of these magazines will be sold to AS Ekspress Meedia on 31 May 2018, after which AS Ajakirjade Kirjastus will merge with AS SL Õhtuleht on 1 June. The ownership structure of the newly merged company AS Õhtuleht Kirjastus will remain the same, with both Ekspress Group and Suits Media owing 50% of the company.

The reorganisations will be carried out to with the magazines' better future in mind. The key objective of the change is to find a better web presense for the content of periodicals of Ajakirjade Kirjastus, by integrating them more into the strong web platforms already possessed by the owners. There are no plans to shut down the current magazines.

The sales revenue from the magazines now to be owned by Ekspress Group 100% will be included in the Group's revenue in full and the effect of this change will be ca EUR 2 million annually.