

Registered number: 01394141

BAUER RADIO LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2021

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BAUER RADIO LIMITED

Company Information

Directors	P Keenan D A Ford S Vickery
Company secretary	Bauer Group Secretariat Limited
Registered number	01394141
Registered office	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL

BAUER RADIO LIMITED

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BAUER RADIO LIMITED

Strategic Report For the Year Ended 31 December 2021

Introduction

The directors present their strategic report for the year ended 31 December 2021.

The Company is engaged in the operation of a wide range of Audio products including national and local radio stations under licence from Ofcom, digital audio services offering a diverse range of listener choice as well as being an investment holding company and providing management services to other group companies.

In the UK, we reach over 20 million listeners a week and operate over 120 commercial, local, national and digital stations, including Absolute Radio, Magic Radio, KISS, Scala Radio and Jazz FM. We also own the Hits Radio Brand Network; the biggest commercial network in the UK made up of Hits Radio, Greatest Hits Radio, Country Hits Radio and other iconic local brands.

The Company forms a key part of Bauer Media Audio, Europe's leading digital commercial radio broadcaster and audio operator and market leader in Denmark, Finland, Ireland, Poland, Sweden and Slovakia and number two in the UK and Norway.

Business review

As passionate experts in the power of audio, our mission is to make our listeners' world sound better through outstanding products and services, whilst also creating commercial value. The expansion of digital distribution platforms and devices has been an enabler for UK commercial radio to lead an explosion in content choice. The Company continues to expand its digital offering through increased investment in Digital content increasing our range of Podcasts, and genre targeted stations and playlists. This technological innovation also offers new and developing opportunities in advertising delivery.

Our 2019 acquisitions of Celador Radio Broadcasting Limited, Lincs FM Group Limited, UKRD Group Limited, Radiowave (Blackpool) Limited and 102.4 Wish FM Limited were fully integrated in the year and their audiences, people and knowledge now form an integral part of the Company strategy to drive further digital development across the our Company and the wider industry, supporting a strong and sustainable future for the whole commercial radio sector.

The Company continues to support children across the country with campaigns for our charity Cash for Kids which seeks to improve the lives of disadvantaged children and young people in our communities who are affected by poverty, illness, neglect or have additional needs. During 2021 Cash for Kids raised £21.4m, helping support 548,102 children across the UK.

The Company is committed to developing the skills and knowledge of its people through the Bauer Academy which offers training, development and apprenticeship to our people in subject areas mirroring Bauer Media's expertise such as digital, media, leadership, sales and journalism. The Academy also played a key role in the Company's participation in the Government's 'Kickstart' youth employment scheme where over 50% of participants progressed to secure employment in the Bauer Media Group.

Impact of the COVID-19 pandemic

The fluctuating levels of COVID-19 restrictions through the year continued to affect advertising from sectors impacted by the legal restrictions imposed as well as in the day to day operations of the Company. However, the impact felt was less severe than in 2020 and with the Company seeking to identify new revenue opportunities and continued cost base management the Company has been able to minimise redundancies as a result of the impact of COVID-19.

The Company continued to operate through the period primarily through remote working, with only essential broadcast roles being office based, where robust and appropriate social distancing and health & safety measures were put in place.

BAUER RADIO LIMITED

Strategic Report (continued) For the Year Ended 31 December 2021

Results for the year

Profit for the financial year was £78,395,000 (2020: £29,787,000). This increase was due to the full integration of our 2019 acquisitions, improved trading conditions compared to 2020 and increased dividends from subsidiary companies, as shown in the Profit and Loss account on page 13. During the year the Company made an operating profit of £50,681,000 (2020: £25,913,000).

Dividends

The Company received dividends from its subsidiaries of £35,200,000 (2020: £8,201,000) and received dividends from other participating interests of £1,262,000 (2020: £1,260,000).

The Company did not pay any dividend (2020: £Nil) during the year. During the year a loan of £70,712,000 from an intermediate parent company, Heinrich Bauer Verlag Beteiligungs GmbH was fully repaid.

Financial position

At 31 December 2021 the Company's net assets were £100,500,000 (2020: £90,226,000).

At the year end the Company had net current assets of £30,425,000 (2020: net current liabilities of £50,738,000). The movement largely related to the repayment of the outstanding loan from Heinrich Bauer Verlag Beteiligungs GmbH.

No change in the nature of the Company's activities is anticipated.

Principal risks and uncertainties

The Company and its investments are exposed to risks associated with fluctuations in advertising spend, the maintenance of key relationships through the radio supply chain, loss of key personnel and increased competition in the marketplace.

The Company and its investments are required to comply with the terms of their broadcast licences. The Company mitigates the risk of non compliance through the work of the management team and by regular training of on and off air personnel.

The Company's credit risk is primarily attributable to its own trade debtors. Credit risk is managed by obtaining prepayments from new customers and running credit checks on existing customers. Liquidity and cashflow risks are managed through support from the Company's parent.

Financial key performance indicators

The Company is an operational radio broadcaster holding a portfolio of licences across the UK, and holding investments in other radio companies. The directors consider the key performance indicators for the Company to be turnover and operating profit.

Turnover for the year increased to £238,762,000 (2020: £189,864,000) as a result of the consolidation of trading into the Company at the end of 2019 and further consolidation during 2020. The operating profit increase of £24,768,000 to £50,681,000 (2020: £25,913,000) is also, in part, a result of this consolidation.

The Company reviews the financial performance of its investments on a regular basis to monitor and manage the business effectively.

Other indicators include the Company's dividend income of £36,462,000 (2020: £9,461,000).

BAUER RADIO LIMITED

Strategic Report (continued) For the Year Ended 31 December 2021

Other key performance indicators

The key non-financial performance indicators include the gender pay gap, diversity and inclusion, and advertising and audience market share, the latter as independently measured by RAJAR on a quarterly basis.

Directors' statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the Company for its members in the long term. The directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is constantly brought to the Executive team through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The Company is a trading company and as such the Board consider that the Company's stakeholders are its customers, consumers, employees, shareholder and its supplier base.

Customers and consumers

The Company is committed to ensuring the future of its radio business and serving the needs of its listeners and advertisers. Output is tailored by brand to meet the needs of its target listeners to optimise audience scale. For advertisers we offer a premium brand environment with the scale, simplicity and strength of national brand networks, while also retaining local advertising opportunities for clients.

Employees

We work to attract, develop and retain quality talent, equipped with the right skills for the future. Our people have a crucial role in delivering against our strategy and creating value.

The interests of our employees include training, development and prospects; diversity and inclusion; fair pay and benefits; health and safety and working conditions.

We do everything we can to ensure equality of opportunity for everyone who works at Bauer or wants to work at Bauer, including, but not limited to those from ethnic communities, those who have a disability or mental health challenge and those from a lower socio economic background. This approach underpins how we attract and recruit new people into Bauer, as well as the support we provide to develop and progress our staff.

Disabled employees are given the same consideration as others and, depending on their skills and abilities, will enjoy the same training, development and prospects as other staff. Employees who become disabled during their employment with the Company will be retained wherever possible and encouraged to develop their careers.

We refer to our approach to diversity and inclusion in the UK business as "Belonging at Bauer". Belonging at Bauer means that we recognise people are at the heart of everything we do. Inclusion is at the core of our values as a business and we celebrate authenticity, valuing the richness difference and diversity bring to our business.

The Company, in conjunction with the Bauer worldwide group, uses a variety of means to inform and to listen to its employees, including regular pulse surveys, online town hall meetings with the senior executive teams, weekly emails and frequent newsletters to all employees, and a dedicated Bauer Buzz intranet site.

BAUER RADIO LIMITED

Strategic Report (continued) For the Year Ended 31 December 2021

Shareholder

Bauer Radio Limited is a wholly owned subsidiary of HBVB. The Board considers its shareholder when making decisions for both the short and long term.

Suppliers

The Company operates an integrity-based approach to our supply chain and looks to work with suppliers who share our values. Our supplier conduct policy is available at bauermedia.co.uk.

Our supplier interests include fair trading, payment terms, success of the business and long-term partnerships and we regularly meet with key suppliers to develop these relationships. Our policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction and to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. The average trade creditors, expressed as a number of days, were 23 (2020: 23).

Environmental matters

The Company is committed to promoting good sustainable practices throughout the business. We continue to identify and adopt policies which take into account the need to protect the environment. Where possible we will choose a supplier that has environmental accreditation beyond the minimum required. Our focus in 2021 has been on identifying the source of our emissions and considering which are within our direct control. As a first step to reducing our environmental impact we have started a programme to convert our car fleet to electric or hybrid vehicles, although the speed of this conversion depends on the availability of replacement vehicles. In 2022 we will also be looking at our properties, with an eye to using the required office footprint as energy efficiently as possible and eliminating under-utilised spaces. This process will take time, so we will also investigate how best to mitigate unavoidable gross emissions and reach the Company's medium-term aim of carbon neutrality.

The Company is required to report annually on the quantity of carbon dioxide equivalent emissions in tonnes emitted as a result of activities for which it is responsible.

BAUER RADIO LIMITED

Strategic Report (continued)
For the Year Ended 31 December 2021

Environmental matters (continued)

	Emissions 2021 (tonnes CO2)	Emissions 2020 (tonnes CO2)
Scope 1 - direct emissions	568	630
Scope 2 - indirect emissions	727	829
Scope 3 - transport emissions	13	10
	1,308	1,469

Intensity ratio emissions (kgCO₂e/m²) is 54 (2020: 79).

The directors have chosen to use total annual emissions in kilograms of CO₂ per square metre of the Company's property portfolio as its intensity ratio.

The Company has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from their energy suppliers and HH/AMR data, where available, for those supplies with HH/AMR meters. Where there was no AMR or billed usage available, flat profile estimation techniques were used to calculate the energy usage for the missing period. Transport mileage and/or fuel usage data was provided for company and employee owned vehicles. CO₂ emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information.

This report was approved by the Board on 15th November 2022 and signed on its behalf.



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D A Ford
Director

BAUER RADIO LIMITED

Directors' Report For the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £78,395,000 (2020: £29,787,000).

No interim dividend was paid during the year (2020: £Nil) and the directors do not recommend the payment of a final dividend (2020: £Nil).

Directors

The directors who served during the year were:

P Keenan
D A Ford
S Vickery

Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

Future developments

Despite the economy continuing to suffer some effects of COVID-19 and high levels of inflation, the Company continues on its strategy to grow audio listening reach and consequently its advertising revenues.

Diversification of our revenue sources and focussed cost control is allowing the Company to invest to develop new content for listeners as well as improving advertising solutions for clients across both traditional broadcast radio and increasingly across all digital platforms.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Matters covered in the Strategic Report

A business review, financial results, details of the principal risks and uncertainties faced by the Company and details on the Company's engagement with employees, shareholders, suppliers and the environment have been included in the Strategic Report on pages 1 to 5.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

BAUER RADIO LIMITED

**Directors' Report (continued)
For the Year Ended 31 December 2021**

Post balance sheet events

In July 2022, Bauer Radio Limited entered into a non-cancellable operating lease for a period of 10 years with annual lease payments of £3.2m.

Auditor

KPMG LLP was appointed the Company's auditor for the year ending 31 December 2021.

KPMG LLP has indicated its willingness to continue in office. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the Board on 15th November 2022 and signed on its behalf.



D A Ford
Director

Media House
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6EA

BAUER RADIO LIMITED

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements For the Year Ended 31 December 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAUER RADIO LIMITED

Opinion

We have audited the financial statements of Bauer Radio Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Considering remuneration incentive schemes and performance targets for management and directors; and



- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is simple by nature and involves high-volume low-value transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account pairings, those posted to accounts not included in the year-end trial balance and all material post-closing journal entries.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: broadcasting, health and safety, anti-bribery, employment law and GDPR recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.



Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Other matter – prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.



The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'George Awusu', written over a circular stamp or seal.

George Awusu (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 16 November 2022

BAUER RADIO LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2021**

	Note	2021 £000	2020 £000
Turnover	4	238,762	189,864
Cost of sales		(55,437)	(41,242)
Gross profit		183,325	148,622
Administrative expenses		(134,347)	(125,480)
Other operating income	5	1,703	2,771
Operating profit	6	50,681	25,913
Income from shares in group undertakings - dividends receivable		35,200	8,201
Income from other participating interests		1,262	1,260
Interest receivable and similar income	10	4	174
Interest payable and similar expenses	11	(234)	(1,030)
Profit before tax		86,913	34,518
Tax on profit	12	(8,518)	(4,731)
Profit for the financial year		78,395	29,787

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

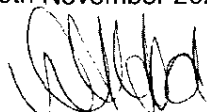
The notes on pages 16 to 43 form part of these financial statements.

BAUER RADIO LIMITED
Registered number:01394141

Balance Sheet
As at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	13		82		-
Tangible assets	14		27,465		27,969
Investments	15		43,843		113,733
			<u>71,390</u>		<u>141,702</u>
Current assets					
Debtors: amounts falling due after more than one year	16	3,774		3,664	
Debtors: amounts falling due within one year	16	72,641		60,147	
Cash at bank and in hand		9,271		16,156	
		<u>85,686</u>		<u>79,967</u>	
Creditors: amounts falling due within one year	17	(55,261)		(130,705)	
Net current assets/(liabilities)			<u>30,425</u>		<u>(50,738)</u>
Total assets less current liabilities			<u>101,815</u>		<u>90,964</u>
Provisions for liabilities					
Other provisions	20		(1,315)		(738)
Net assets			<u>100,500</u>		<u>90,226</u>
Capital and reserves					
Called up share capital	21		80,507		80,507
Share premium account			33,947		33,947
Other reserves			(250,842)		(202,821)
Profit and loss account			236,888		178,593
			<u>100,500</u>		<u>90,226</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 15th November 2022.



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D A Ford
Director

The notes on pages 16 to 43 form part of these financial statements.

BAUER RADIO LIMITED

**Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £000	Share premium account £000	Special reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	80,507	33,947	(221,259)	167,244	60,439
Profit for the year	-	-	-	29,787	29,787
Release of special reserve	-	-	18,438	(18,438)	-
At 1 January 2021	80,507	33,947	(202,821)	178,593	90,226
Profit for the year	-	-	-	78,395	78,395
Release of special reserve	-	-	20,100	(20,100)	-
Increase in special reserve	-	-	(68,121)	-	(68,121)
At 31 December 2021	80,507	33,947	(250,842)	236,888	100,500

The notes on pages 16 to 43 form part of these financial statements.

The increase of the special reserve was a result of adopting the principles of merger accounting in recording the impact of the group reconstruction which took place on 30 September 2021, as described in note 15. This Special Reserve is non-distributable and is being amortised over the lifetime of the assets to which it relates.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Bauer Radio Limited (the "Company") is a private company limited by shares incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01394141 and the registered address is Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

The Company is engaged in the operation of independent radio stations under licence from Ofcom and also operates as an investment holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Bauer Radio Limited acts as a non-disclosed agent for the raising of sales invoices and incurring of expenditure of other radio companies within the group. The invoices are raised by the shared service centre administered by another group entity, HBVB. Bauer Radio Limited includes all sales invoices raised and cash receipts within the trade debtor balance in these accounts for all the companies where it acts as undisclosed agent as well as its own sales invoices and cash receipts relating to its revenue. It also holds accrued income that it receives on behalf of these other companies in its accrued income balance. It also holds the creditor balances for the majority of purchase invoices, payroll taxes and other creditors for all the companies for which it acts as undisclosed agent in these accounts as well as its own amounts due to third parties. Bauer Radio Limited records a net intercompany creditor/debtor position in its books and the individual radio companies process a net corresponding intercompany debtor/creditor in their accounting records. Bauer Radio Limited and the companies have a legally enforceable right to set off intercompany balances, however the underlying credit and liquidity risk remain with the individual company.

The following principal accounting policies have been applied:

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Heinrich Bauer Verlag Beteiligungs GmbH as at 31 December 2021 and these financial statements may be obtained from Burchardstraße 11, 20095 Hamburg, Germany.

The Company has taken advantage of the exemption in Financial Reporting Standard 102 section 33.1A "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Key classes of revenue are recognised on the following basis:

- Radio advertising revenue is recognised on the date of the broadcast;
- Sponsorship, internet revenue and transmission fees are recognised over the term of the contract;
- Production revenue is recognised on date of release of adverts to clients;
- Competition revenues are recognised on the dates of the competition activity;
- Other Enterprise revenue is recognised on agreed settlement with all parties;
- Event income is recognised when the event has taken place;
- Training revenues are recognised when the services are provided;
- Management services revenue is recognised when the services are provided.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.6 Government grants

The Company recognises government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in profit or loss of the period in which it becomes receivable. Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Grants related to income are sometimes presented as a credit in the statement of comprehensive income, either separately or under a general heading such as 'Other income'; alternatively, they are deducted in reporting the related expense. If a government grant becomes repayable, the effect is accounted for as a change in accounting estimate. The government grants relating to the Coronavirus Job Retention Scheme are recognised as other income in the comprehensive statement of income.

2.7 Royalties

Royalties receivable are recognised in the period in which they become due.

2.8 Dividends receivable

Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on:

- the differences between the fair values of assets acquired and the future tax deductions available for them; and
- the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold land and property	- 20 - 50 years
L/Term Leasehold Property	- 40 - 50 years
S/Term Leasehold Property	- Shorter of 5 years and the lease term
Motor vehicles	- 5 years
Studio and office equipment	- 3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decrease.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

2.16 Valuation of investments

Investments in subsidiaries, associates and joint ventures are measured at cost less accumulated impairment.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.18 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company.

At the acquisition date, the Company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.22 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments and estimates. These are continually evaluated, based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances that would have a major impact on applying the above accounting policies.

The following judgments and estimates have had the most significant effect on the amounts recognised in the financial statements:

(a) Investments

The Company assesses at each reporting date whether there is an indication that an investment may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flow from the investments.

(b) Impairment of debtors

The Company makes an estimate of the recoverable values of trade and other debtors. The current credit rating of the debtor, the ageing of the debt and the historical experience of debtors are used by management in assessing impairment of trade and other debtors.

(c) Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or services provided at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration.

(d) Income taxes

Estimates may be required in determining the level of current and deferred income tax assets and liabilities, which the directors believe are reasonable and adequately recognise any income tax related uncertainties. Various factors may have favourable or adverse effects on the income tax assets and liabilities. These include changes in tax legislation, tax rates and allowances, future levels of spending, the Company's level of future earnings and estimated future taxable profits.

(e) Useful economic life of assets

The Company's policy for applying useful economic lives has been determined through applying historical experience and taking into consideration the nature of assets and their intended use.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

4. Turnover

The directors are of the opinion that disclosing the Company's turnover by activity is not in the best interests of the Company.

All turnover is substantially derived from sales in the United Kingdom

5. Other operating income

	2021	2020
	£000	£000
Government grants	684	2,119
Royalty receivable	1,019	652
	1,703	2,771

Government grants include grants from the Skills Funding Agency for the provision of vocational training, grants from the Kickstart scheme and the Coronavirus Job Retention Scheme.

6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	1,681	1,655
(Profit)/loss on disposal of tangible fixed assets	(3)	21
Amortisation of intangible assets, including goodwill	59	31
Impairment of investments	1,617	-
Other operating lease rentals	19,737	16,074
Defined contribution pension cost	876	788

Some operating leases refer to car leases and there are no commitments at the year end for future car lease rentals.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

7. Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	360	-
	360	-

The audit fee represents fees payable in respect of the audit of Bauer Radio Limited and its subsidiaries.

During 2020 the Company was exempt from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

There were no non-audit fees paid to the Company's auditor.

8. Employees

Staff costs were as follows:

	2021	2020
	£000	£000
Wages and salaries	27,534	25,223
Social security costs	3,227	2,790
Cost of defined contribution scheme	876	788
	31,637	28,801

The average monthly number of employees, including the directors, during the year was as follows:

	2021	2020
	No.	No.
Administrative	50	60
Programming	261	246
Sales	257	250
	568	556

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	1,130	1,166
	1,130	1,166

The highest paid director received remuneration of £600,000 (2020: £630,000).

Remuneration for two of the directors is borne by another group entity, HBVB Management Limited. The amount of these directors' remuneration attributable to services provided to Bauer Radio Limited has been apportioned based on time spent.

The directors of the Company are considered its key management personnel.

10. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	3	-
Other interest receivable	1	174
	4	174

11. Interest payable and similar expenses

	2021 £000	2020 £000
Loans from group undertakings	226	1,028
Other interest payable	8	2
	234	1,030

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

12. Taxation

	2021	2020
	£000	£000
Corporation tax		
Current tax on profit for the year	9,706	4,792
Adjustments in respect of previous periods	118	23
Total current tax	9,824	4,815
Deferred tax		
Origination and reversal of timing differences	(843)	58
Adjustments in respect of previous periods	(82)	(18)
Changes to tax rates	(381)	(124)
Total deferred tax	(1,306)	(84)
Taxation on profit on ordinary activities	8,518	4,731

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	86,913	34,518
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	16,513	6,559
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	308	-
Expenses not deductible for tax purposes	42	125
Capital allowances for year in excess of depreciation	(191)	-
Utilisation of tax losses	-	(36)
Adjustments to tax charge in respect of prior periods	36	5
Dividends received	(6,928)	(1,798)
Unrelieved trade losses transferred in	(4,783)	-
Movement in deferred tax not recognised	6,067	-
Deferred tax impact of change in tax rate	(2,176)	(124)
Group relief claimed for nil payment	(370)	-
Total tax charge for the year	8,518	4,731

The Group relief claimed for nil payment represents the reversal of corporation tax charged in the entities hived up into Bauer Radio Ltd that subsequently reduced their tax liabilities to nil, through group relief.

Factors that may affect future tax charges

The statutory UK corporation tax rate is currently 19%, effective from 1 April 2017. Finance Bill 2021 enacted provisions to increase the main rate of UK corporation tax to 25% from 1 April 2023.

Deferred tax has been calculated at the tax rate expected to apply in the period when the liability is settled, or the asset released, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the year end. As the Finance Bill 2021 was enacted by the balance sheet date the deferred tax balances as at 31 December 2021 have been measured at a rate of 25%.

BAUER RADIO LIMITED

Notes to the Financial Statements
For the Year Ended 31 December 2021

13. Intangible assets

	Goodwill £000
Cost	
At 1 January 2021	25,806
Intra-group transfers	728
At 31 December 2021	<u>26,534</u>
Amortisation	
At 1 January 2021	25,806
Charge for the year on owned assets	59
Amortisation transfer from group	587
At 31 December 2021	<u>26,452</u>
Net book value	
At 31 December 2021	<u>82</u>
At 31 December 2020	<u>-</u>

The intra-group transfers were part of the transactions disclosed in Note 15.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

14. Tangible fixed assets

	Freehold land and property £000	L/Term Leasehold Property £000	S/Term Leasehold Property £000	Motor vehicles £000	Studio and office equipment £000	Total £000
Cost						
At 1 January 2021	27,352	1,617	139	21	14,203	43,332
Additions	-	-	-	-	858	858
Transfers intra group	-	333	-	523	1,315	2,171
Disposals	(1,358)	-	-	-	(2,024)	(3,382)
At 31 December 2021	<u>25,994</u>	<u>1,950</u>	<u>139</u>	<u>544</u>	<u>14,352</u>	<u>42,979</u>
Depreciation						
At 1 January 2021	2,842	1,146	139	12	11,224	15,363
Charge for the year on owned assets	381	29	-	25	1,246	1,681
Transfers intra group	-	180	-	487	572	1,239
Disposals	(774)	-	-	-	(1,995)	(2,769)
At 31 December 2021	<u>2,449</u>	<u>1,355</u>	<u>139</u>	<u>524</u>	<u>11,047</u>	<u>15,514</u>
Net book value						
At 31 December 2021	<u>23,545</u>	<u>595</u>	<u>-</u>	<u>20</u>	<u>3,305</u>	<u>27,465</u>
At 31 December 2020	<u>24,510</u>	<u>471</u>	<u>-</u>	<u>9</u>	<u>2,979</u>	<u>27,969</u>

The intra-group transfers were part of the transactions disclosed in Note 15.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments

	Investments in subsidiary companies £000	Investments in participating interests £000	Other fixed asset investments £000	Total £000
Cost or valuation				
At 1 January 2021	642,125	238	300	642,663
Disposals	(501,509)	-	-	(501,509)
Adjustment to acquisition costs	(160)	-	-	(160)
Transfer intra group	-	8	-	8
At 31 December 2021	140,456	246	300	141,002
Impairment				
At 1 January 2021	528,630	-	300	528,930
Charge for the period	1,617	-	-	1,617
Impairment on disposals	(501,509)	-	-	(501,509)
Transfer to special reserve	68,121	-	-	68,121
At 31 December 2021	96,859	-	300	97,159
Net book value				
At 31 December 2021	43,597	246	-	43,843
At 31 December 2020	113,495	238	-	113,733

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2021

15. Fixed asset investments (continued)

Included in the closing balances of both cost and accumulated impairment is £95,289,000 relating to dormant companies to be wound up in due course.

On 30 September 2021, the Company acquired the trade and assets of its subsidiaries CRB Audio Group Limited, Lincs FM Group Limited and UKRD Group Limited at book value. The Company accounted for the trade and assets transfers using Merger Accounting. The £68,121,000 (2020: £Nil) difference between the book value of the transferred trade and assets and the carrying value of the investments has been transferred to a non-distributable Special Reserve. This Special Reserve will be amortised over the lifetime of the assets to which it relates.

The carrying value of the Company's investments are reviewed for impairment when there are indications that the assets may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the investments.

In the opinion of the directors the value of investments is not less than the aggregate amount at which they are stated in the balance sheet.

Impairment tests - resulting in net impairment charge for the period of £1,617,000

Following the company re-organisation on 30 September 2021, the Company's subsidiaries CRB Audio Group Limited, Lincs FM Group Limited and UKRD Group Limited distributed the proceeds from the trade and assets transfer which led to an impairment of £12,168,000, as these subsidiaries are now dormant.

At 31 December 2021, the Company reversed the impairment of its investment in Bauer Media AS of £10,551,000 as the company has returned to long-term profitability and now has positive cash balances.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Bauer Golden Square Limited *	Ordinary	100 %	Dormant dissolved 7 September 2021
Bauer Digital Radio Limited *	Ordinary	100 %	Digital Radio
Bauer Group Secretariat Limited *	Ordinary	100 %	Dormant
Bauer Media Holding Oy ***	Ordinary	100 %	Radio broadcasting
Bauer Media As	Ordinary	100 %	Radio broadcasting
Bauer Media ApS	Ordinary	100 %	Radio broadcasting
Bauer Radio (West Midlands) Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Kiss FM Radio Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Magic 105.4 Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Metro Radio Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Key 103 Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Piccadilly Radio Limited *	Ordinary	100 %	Dormant
Planet Rock Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Radio Aire Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Radio City (Sound of Merseyside) Limited *	Ordinary	100 %	Dormant
Radio Hallam Limited *	Ordinary	100 %	Dormant, dissolved 7 December 2021
Red Rose Radio Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Scottish Radio Holdings Limited **	Ordinary	100 %	Dormant, dissolved 7 December 2021
TFM Radio Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Viking Radio Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Orion Media Holdings Limited *	Ordinary	100 %	Dormant, dissolved 19 October 2021
Jazz FM Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Downtown Radio Limited	Ordinary	100 %	Radio broadcasting
CRB Audio Group Limited *	Ordinary	100 %	Radio broadcasting +
Lincs FM Group Limited *	Ordinary	100 %	Radio broadcasting +
UKRD Group Limited *	Ordinary	100 %	Radio broadcasting +
Radio Forth Limited **	Ordinary	100 %	Dormant
Radiowave (Blackpool) Ltd*	Ordinary	100 %	Dormant, dissolved 17 August 2021
102.4 Wish FM Ltd*	Ordinary	100 %	Dormant, dissolved 17 August 2021

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments (continued)

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Bauer AR Holdings Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Absolute Radio Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Bauer AR Digital Radio Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Carlisle Radio Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Moray Firth Radio Limited **	Ordinary	100 %	Dormant, dissolved 21 September 2021
Northsound Radio Limited **	Ordinary	100 %	Dormant, dissolved 21 September 2021
Radio Borders Limited **	Ordinary	100 %	Dormant, dissolved 13 July 2021
Radio Clyde Limited **	Ordinary	100 %	Dormant, dissolved 13 July 2021
Radio Tay Limited **	Ordinary	100 %	Dormant, dissolved 16 November 2021
South West Sound Limited **	Ordinary	100 %	Dormant, dissolved 13 July 2021
Vibe Radio Services Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Kiss 101 Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Kiss 105-108 Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Wave 105 FM Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
West Sound Radio Limited **	Ordinary	100 %	Dormant, dissolved 16 November 2021
Bauer Media Oy ***	Ordinary	100 %	Radio broadcasting
Kaimax Media Oy ***	Ordinary	100 %	Radio broadcasting
3N Radiot Oy ***	Ordinary	100 %	Radio broadcasting
Mediatkojat Oy	Ordinary	100 %	Radio broadcasting
Miracle Sound Oy ***	Ordinary	51 %	Radio broadcasting
Miracle Sound Oulu Oy ***	Ordinary	51 %	Radio broadcasting
Kuunappi Radioliiketoiminta Oy ***	Ordinary	100 %	Radio broadcasting
Oy Basso Media Ltd ****	Ordinary	100 %	Radio broadcasting
TuotantOyhtiö Manuscript Oy****	Ordinary	100 %	Radio broadcasting
Orion Media Limited *	Ordinary	100 %	Dormant, dissolved 12 October 2021
Mercia Sound Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Radio Wyvern Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Beacon Broadcasting Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Orion Media (East Midlands) Limited *	Ordinary	100 %	Dormant, dissolved 13 July 2021
Orion Trustee Limited *	Ordinary	100 %	Dormant, dissolved 1 June 2021
Midlands Radio Limited *	Ordinary	100 %	Dormant, dissolved 21 September 2021
Capital Radio North East Limited *	Ordinary	100 %	Dormant, dissolved 25 May 2021
BRMB Limited *	Ordinary	100 %	Dormant, dissolved 7 September 2021
Capital Radio Fun Limited *	Ordinary	100 %	Dormant, dissolved 25 May 2021
Border Radio Holdings Limited *	Ordinary	100 %	Dormant, dissolved 25 May 2021
Birmingham Broadcasting Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Capital Gold Birmingham Limited *	Ordinary	100 %	Dormant, dissolved 25 May 2021

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments (continued)

Switchdigital (B&H) Limited *	Ordinary	100 %	Dormant
Switchdigital (S&S) Limited *	Ordinary	100 %	Dormant
Anglian Broadcasting Company (Holdings)Limited *	Ordinary	100 %	Dormant
Anglian Radio Limited *	Ordinary	100 %	Dormant
Mellow 1557 Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
East Coast Radio (The Beach) Limited *	Ordinary	100 %	Dormant, dissolved 12 October 2021
Town FM Limited *	Ordinary	100 %	Dormant, dissolved 21 September 2021
North Norfolk Radio Limited *	Ordinary	100 %	Dormant, dissolved 12 October 2021
99.9 Radio Norwich Limited *	Ordinary	100 %	Dormant, dissolved 12 October 2021
Bauer Radio (TRL) Limited *	Ordinary	100 %	Dormant, dissolved 12 October 2021
Midwest Radio Limited *	Ordinary	100 %	Dormant, dissolved 7 September 2021
Devon Radio Limited *	Ordinary	100 %	Dormant, dissolved 7 September 2021
Bauer Radio (Andover) Limited *	Ordinary	100 %	Dormant, dissolved 7 September 2021
Bauer Radio (Southampton) Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Ivel FM Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Bauer Radio (South Devon) Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Bauer Radio (Newbury) Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
CRB Audio Limited *	Ordinary	100 %	Dormant
Delta Radio Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Kestrel FM Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Bauer Radio (BCR) Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Bauer Radio (South West) Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Vale FM Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Compass Radio Limited *	Ordinary	100 %	Dormant
Dearne FM Limited *	Ordinary	100 %	Dormant
Planet Broadcasting Company Limited	Ordinary	100 %	Dormant
Ridings FM Limited *	Ordinary	100 %	Dormant
Rother FM Limited *	Ordinary	100 %	Dormant
Rutland Radio Limited *	Ordinary	100 %	Dormant
Trax FM Limited *	Ordinary	100 %	Dormant
Jet FM Limited *	Ordinary	100 %	Dormant, dissolved 10 August 2021
Jupiter Radio Limited *	Ordinary	100 %	Dormant, dissolved 10 August 2021
White Rose Radio Limited *	Ordinary	100 %	Dormant, dissolved 10 August 2021
Lincs FM 102.2 Limited *	Ordinary	100 %	Dormant, dissolved 10 August 2021
Compass FM Limited *	Ordinary	100 %	Dormant, dissolved 10 August 2021
Suffolk First Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021
Muxco Lincolnshire Limited	Ordinary	51 %	Digital Radio Services
UKRD Support and Development Limited *	Ordinary	100 %	Dormant
UKRD Group (EBT) Limited *	Ordinary	100 %	Dormant
The Local Radio Company Limited *	Ordinary	100 %	Dormant, dissolved 17 August 2021

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments (continued)

Pirate FM Limited *	Ordinary	100 %	Dormant
Eagle Radio Limited *	Ordinary	100 %	Dormant
KLFM Limited *	Ordinary	100 %	Dormant
Minster Sound Radio (York) Limited *	Ordinary	100 %	Dormant
Mix 96 Limited *	Ordinary	100 %	Dormant
Spire FM Limited *	Ordinary	100 %	Dormant
Spirit FM Limited *	Ordinary	100 %	Dormant
Stray FM Limited *	Ordinary	100 %	Dormant
Wessex Broadcasting Limited *	Ordinary	100 %	Dormant
Yorkshire Coast Radio Limited *	Ordinary	100 %	Dormant
Encore Radio Limited *	Ordinary	100 %	Dormant
First Radio Sales Limited *	Ordinary	100 %	Dormant

Name

Registered office

* Subsidiary undertakings with the registered office of	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA
** Subsidiary undertakings with the registered office of	Clydebank Business Park, Clydebank, G81 2RX
*** Subsidiary undertakings with the registered office of	Tallberginkatu 1, 00180 Helsinki, Finland
**** Subsidiary undertakings with the registered office of	Unioninkatu 25 00170 Helsinki, Finland
Bauer Media As	Christian Michelsens gate 2A, 5012 Bergen, Norway
Bauer Media ApS	Mileparken 20A, DK-2740 Skovlunde, Denmark
Miracle Sound Oulu Oy	Asemakatu 25, 90100 Oulu, Finland
Mediatkojat Oy	Itapuisto 3, 28100 Pori, Finland
Downtown Radio Ltd	Kiltonga Industrial Estate, Newtownards, Co Down, BT23 4ES
Muxco Lincolnshire Limited	Greenworks Dog And Duck Yard, Princeton Street, London WC1R 4BH

+ These companies sold their trade and assets to the Company on 30 September 2021, and their principal activity therefore ceased on that date.

During March 2021 Bauer Media Holding Oy, a direct investment of the Company, increased its shareholding in Mediatkojat Oy from 48% to 100%.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments (continued)**Participating interests**

Fixed asset investments in Joint Ventures and Associates are unlisted and their market value can not be reliably determined. For this reason they have been measured at cost less accumulated impairment.

Joint ventures

Name	Registered address	Class of shares	Holding	Principal activity
CE Digital Limited	30 Leicester Square, London, WC2H 7LA	Ordinary	50%	Digital Radio Services
Octave IP Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA	Ordinary	50%	Advertising Sales
Muxco Surrey and North Sussex Limited*	Greenworks Dog And Duck Yard, Princeton Street, London WC1R 4BH	Ordinary	50%	Digital Radio Services
Muxco North Yorkshire Limited*	Greenworks Dog And Duck Yard, Princeton Street, London WC1R 4BH	Ordinary	50%	Digital Radio Services
EG Digital Limited*	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA	Ordinary	51%	Non-trading

*These companies are indirect Joint Ventures of the Company.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments (continued)

Associates

Name	Registered office	Class of shares	Holding	Principal activity
Independent Radio News Limited	Academic House, 24-28 Oval Road, London, NW1 7DJ	Ordinary	22%	Radio broadcasting
Sound Digital Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA	Ordinary	30%	Digital Radio Services
Radiocentre Limited	55 New Oxford Street, 6th Floor, London, WC1A 1BS	Ordinary	32%	Radio broadcasting
Norsk Radio As*	Akersgata 73, 0180 Oslo, Norway	Ordinary	33%	Radio broadcasting
Muxco Suffolk Limited*	Greenworks Dog And Duck Yard, Princeton Street, London WC1R 4BH	Ordinary	33%	Digital Radio Services
Ipswich 102 Limited	St Hilary Transmitter, St. Hilary, Cowbridge, Vale Of Glamorgan, Wales, CF71 7DP	Ordinary	40%	Radio broadcasting
South West Digital Radio Limited*	Crawley Court, Winchester, Hampshire, SO21 2QA	Ordinary	33%	Digital Radio Services

*These companies are indirect Associates of the Company.

During March 2021 Bauer Media Holding Oy, a direct investment of the Company, increased its shareholding in Mediatakojat Oy to 100%.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

16. Debtors: Amounts falling due within one year

	2021	2020
	£000	£000
Due after more than one year		
Other debtors	3,774	3,664
	<u>3,774</u>	<u>3,664</u>
Due within one year		
Trade debtors	43,530	39,088
Amounts owed by group undertakings	1,384	886
Other debtors	7,030	3,958
Prepayments and accrued income	18,268	15,092
Deferred taxation	2,429	1,123
	<u>72,641</u>	<u>60,147</u>

Amounts owed by other group undertakings are unsecured and are repayable on demand. They include amounts that are both interest free and interest bearing at 1%.

17. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	861	918
Amounts owed to group undertakings	18,378	103,028
Other taxation and social security	12,670	9,811
Other creditors	16,273	10,634
Accruals and deferred income	7,079	6,314
	<u>55,261</u>	<u>130,705</u>

Amounts due to other group undertakings are unsecured and repayable on demand. They include amounts that are both interest free and interest bearing based on 3 month EURIBOR plus 1.5%.

During the year a loan of £70,712,000 from an intermediate parent company, Heinrich Bauer Verlag Beteiligungs GmbH was fully repaid.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

18. Financial instruments

	2021	2020
	£000	£000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	58,224	60,062
Financial liabilities		
Financial liabilities measured at amortised cost	(42,024)	(119,329)

Financial assets that are basic debt instruments measured at amortised cost include cash at bank and in hand, trade debtors, intra group balances and other debtors as shown in note 16, but exclude statutory assets such as taxes repayable from HMRC.

Financial liabilities measured at amortised cost comprise accruals of £6,512,000 (2020: £4,749,000) and trade creditors, intra group balances and other creditors shown in note 17.

19. Deferred taxation debtor

	2021	2020
	£000	£000
At beginning of year	1,123	1,039
Charged to profit or loss	1,306	84
At end of year	2,429	1,123

The deferred tax asset is made up as follows:

	2021	2020
	£000	£000
Accelerated capital allowances	802	272
Tax losses carried forward	1,256	673
Short term timing differences	371	178
	2,429	1,123

Deferred tax is provided where there is reasonable certainty over the recovery of the asset, with regards to future taxable profits. It is expected that there will be sufficient trading profits in the Company in the foreseeable future, against which the deferred tax assets will be utilised.

At the end of the financial period, the Company had additional losses carried forward of £26,500,000 (2020: £4,000,000) available for relief in a future period. No deferred tax has been recognised in respect of this relief.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

20. Provisions

	Property provision £000
At 1 January 2021	738
Charged to profit or loss	943
Utilised in year	(366)
At 31 December 2021	1,315

The property provision relates to either properties no longer occupied by the Company or an estimate of the amounts due to bring occupied properties back to condition at lease inception. The provision represents the best estimate of the future net cash outflow, expected to be incurred on either disposal of, or net rent shortfall incurred on each lease.

21. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
805,065,938 (2020: 805,065,938) Ordinary shares of £0.10 each	80,507	80,507

There is a single class of ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

There are no restrictions on the distribution of dividends and the repayment of capital.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

22. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£000	£000
Land and buildings		
Not later than 1 year	970	869
Later than 1 year and not later than 5 years	2,011	1,107
Later than 5 years	4,901	4,997
	<u>7,882</u>	<u>6,973</u>
	2021	2020
	£000	£000
Other		
Not later than 1 year	19,919	17,191
Later than 1 year and not later than 5 years	45,303	43,422
Later than 5 years	8,881	12,239
	<u>74,103</u>	<u>72,852</u>

23. Related party transactions

At 31 December 2021 the Company was owed by CE Digital Limited, a joint venture, £172,000 (2020: owed to CE Digital Limited £198,000). During the year the Company received a dividend of £750,000 (2020: £750,000) from this company. The Company paid CE Digital Limited carriage costs of £1,549,000 (2020: £1,472,000) and received management charges of £245,000 (2020: £240,000).

At 31 December 2021 the Company was owed by Octave IP Limited, a joint venture, £200,000 (2020: £100,000).

During the year the Company received a rebate of £1,974,000 (2020: £2,023,000) and licence fees of £24,000 (2020: £Nil) from its associate undertakings. The Company paid carriage costs to its associate undertakings of £1,516,000 (2020: £1,331,000). At the year end £1,201,000 (2020: £825,000) was owed to the Company from the associate undertakings.

During the year the Company paid costs on behalf of the charity "Cash for Kids", being the corporate member of the charity, and recharged them. At 31 December 2021 Cash for Kids owed the Company £167,000 (2020: £133,000) showing as part of the Company's Trade debtors.

24. Post balance sheet events

In July 2022, Bauer Radio Limited entered into a non-cancellable operating lease for a period of 10 years with annual lease payments of £3.2m.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

25. Controlling party

The immediate parent undertaking is HBVB, registered at Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

Heinrich Bauer Verlag KG, established at Burchardstraße 11, 20095 Hamburg, Germany, is regarded by the directors as the Company's ultimate controlling party.

The only parent undertaking for which group accounts are drawn up is Heinrich Bauer Verlag Beteiligungs GmbH, registered in Germany. Copies of Heinrich Bauer Verlag Beteiligungs GmbH accounts are publicly available from Burchardstraße 11, 20095 Hamburg, Germany.

To Be Filed with Bauer Radio Limited
Company Registered number: 01394141

HEINRICH BAUER VERLAG BETEILIGUNGS GMBH

HAMBURG

DISCLOSURE COPY

OF THE GROUP ACCOUNTS AS AT 31 DECEMBER 2021 AND
THE GROUP MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2021

[The following English language report on the examination of the financial statements is a translation from the preceding German language report. This report was prepared applying Germany accounting principles for use in that country only. Likewise, the following translation is designed for use in Germany only, since adjustments, if any, which would be necessary to conform the financial statements to accounting practices used in countries other than Germany have not been made.]

THESE ACCOUNTS
FORM PART OF THE
GROUP ACCOUNTS
OF COMPANY
No. 01394141

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Group balance sheet as at 31 December 2021

Assets

	31.12.2021		31.12.2020	
	EUR	EUR	EUR	EUR
A. Non-current assets				
I. Intangible assets				
1. Concessions, industrial property rights and similar rights and values	327,930,659		244,048,615	
2. Goodwill	46,881,529		55,989,964	
3. Payments in advance	214,088	375,026,276	124,830	300,163,409
II. Property, plant and equipment				
1. Land, land rights and buildings including buildings on third-party land	37,304,389		36,015,251	
2. Technical equipment and machinery	8,743,474		8,985,869	
3. Other plant, operating and office equipment	17,622,454		19,971,246	
4. Payments in advance and assets under construction	1,153,217	64,823,534	418,734	65,391,099
III. Financial assets				
1. Shares in affiliated companies	19,520,011		77,235,395	
2. Shares in investments	448,569		5,982,197	
3. Long-term securities	721,901		1,348,386	
4. Other loans	4,363,987	25,054,468	4,181,756	88,747,734
		464,904,278		454,302,242
B. Current assets				
I. Inventories				
1. Raw materials	8,178,641		9,704,754	
2. Unfinished goods and services	1,520,200		1,144,417	
3. Finished products and goods	36,573		85,491	
4. Payments in advance	1,097,315	10,832,730	207,498	10,934,662
II. Receivables and other assets				
1. Trade receivables	244,516,876		231,805,290	
2. Receivables from affiliated companies	165,924,477		244,526,119	
3. Receivables from other long-term investors and investees	3,180,496		166,721	
4. Other assets	150,509,907	564,131,756	24,538,338	501,036,468
III. Cash and credit balances at banks		299,638,170		302,578,361
		874,602,656		814,549,491
C. Prepaid expenses and deferred charges		29,274,890		26,784,826
		1,368,781,825		1,295,844,058

Liabilities

	31.12.2021	31.12.2020
	EUR	EUR
A. Equity		
I. Subscribed capital	2,607,589	2,607,589
II. Capital reserve	1,719,699,587	1,680,874,282
III. Adjustment item for minority interests	3,832,870	3,144,461
IV. Equity difference from currency conversion	37,429,998	43,100,760
V. Group net earnings	-781,779,977	-824,125,477
	981,790,066	905,601,615
B. Provisions		
1. Provisions for pensions and similar obligations	1,761,919	1,543,886
2. Tax provisions	9,418,706	21,217,170
3. Other provisions	129,741,401	134,281,376
	140,922,027	157,042,432
C. Liabilities		
1. Liabilities to banks	11,877,970	33,755,375
2. Advance payments received	2,517,076	1,930,785
3. Trade liabilities	115,233,695	95,853,348
4. Liabilities to affiliated companies	24,233,774	1,063,021
5. Liabilities to associated companies	43,432	0
6. Other liabilities	50,482,638	56,720,403
– thereof taxes		
EUR 17.316.246 (previous year: EUR 22.783.220) –		
– thereof social security obligations		
EUR 5.485.139 (previous year: EUR 5.579.946) –		
	204,388,584	189,322,932
D. Deferred income	23,332,189	30,467,985
E. Deferred tax liabilities	18,348,960	13,409,094
	1,368,781,825	1,295,844,058

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Group income statement for the financial year from 1.1.2021 to 31.12.2021

	2021		2020	
	EUR	EUR	EUR	EUR
1. Sales revenues		1,413,974,884		1,295,738,737
2. Increase (previous year: reduction) in the stock of finished and unfinished products		302,081		-850,011
3. Other operating income		138,829,964		89,725,384
– thereof from currency conversion				
EUR 9,535,275 (previous year: EUR 9,482,252) –				
4. Material expenses				
a) Expenses for raw materials and supplies and goods bought for sale	-244,643,532		-246,628,922	
b) Expenses for purchased services	-328,952,180	-573,595,712	-300,928,059	-547,556,981
5. Personnel expenses				
a) Wages and salaries	-254,100,188		-253,345,332	
b) Social security payments and expenses for retirement pensions and benefits	-48,679,050	-302,779,238	-44,982,825	-298,328,157
– thereof for retirement pensions				
EUR 9,658,983,76 (previous year: EUR 11,932,502) –				
6. Depreciations on intangible and tangible assets		-97,242,603		-131,025,597
7. Other operating expenses		-281,348,921		-344,170,154
– thereof from currency conversion				
EUR 8,556,907 (previous year: EUR 31,713,593) –				
8. Income from investments		4,627,631		7,017,479
– thereof from affiliated companies				
EUR 2,630,681,24 (previous year: EUR 4,590,797) –				
9. Income from other securities and loans held as financial assets		173,745		0
10. Other interests and similar revenues		1,152,646		1,758,344
– thereof from affiliated companies				
EUR 458,553 (previous year: EUR 270,600) –				
11. Depreciations on financial assets		-296,894		-1,283,682
12. Interest and similar expenses		-652,050		-1,594,211
– thereof to affiliated companies				
EUR 119,365 (previous year: EUR 159,399) –				
13. Expenses from loss transfer agreements		0		-110,908
14. Taxes on income		-42,708,237		-42,866,935
– thereof deferred tax income				
EUR 9,632,622 (previous year EUR 10,264,170) –				
15. Income after taxes		260,437,296		26,453,309
16. Other taxes		-5,625,524		-6,078,434
17. Profits transferred under profit transfer agreements		-208,080,949		-63,918,402
18. Consolidated annual profit				
(previous year: consolidated annual loss)		46,730,823		-43,543,527
19. Minority interests		-1,792,579		364,725
20. Group share in consolidated net profit				
(previous year: group share in consolidated net loss)		44,938,244		-43,178,602

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Group cash flow statement for the financial year from 1.1.2021 to 31.12.2021

	2021	2020
	TEUR	TEUR
Consolidated net profit / loss including profit / loss attributable to minority interests	46.731	-43.544
Depreciations (+) / appreciations (-) on non-current assets	91.799	130.500
Increase (+) / decrease (-) in provisions for pensions and similar obligations and other provisions	-4.322	-26.206
Other non-cash items from consolidation (-/+)	-11.004	47.787
Increase (-) / decrease (+) in inventories, trade receivables and other assets not attributable to investment or financing activities	-26.365	96.887
Increase (+) / decrease (-) in trade liabilities and other liabilities not attributable to investment or financing activities	243.444	44.593
Profit (-) / loss (+) from the sale of non-current assets	251	-40.265
Expenses/income of exceptional magnitude	-113.090	0
Interest expenses (+) / interest income (-)	-501	-164
Other investment income including income from other securities held as financial assets (-)	-4.801	-7.017
Income tax expense (+) / benefit (-)	42.708	42.867
Income tax refunds (+) / payments (-)	-67.734	-44.476
Cash flow from operating activities (transfer):	197.117	200.962

	2021	2020
	TEUR	TEUR
Cash flow from operating activities (transfer):	197.117	200.962
Receipts from disposal of intangible assets (+)	439	3.655
Disbursements for investments in intangible assets (-)	-128.840	-76.118
Receipts from disposal of property, plant & equipment (+)	3.590	1.682
Disbursements for investments in property, plant & equipment (-)	-12.178	-10.727
Receipts from disposal of financial assets (+)	26.590	105
Disbursements for investments in financial assets (-)	-4.954	-59.140
Receipts from disposal of the consolidated group (-)	0	47.980
Disbursements for additions to the consolidated group (-)	-7.506	-1.008
Net change in the consolidated group in the non-current assets (-/+)	17.540	43.282
Interests received (+)	1.153	1.758
Dividends received (+)	4.801	7.017
Cash flow from investment activities	-99.365	-41.512
Receipts from equity inflows from shareholders of the parent company (+)	135.875	83.542
Disbursements for equity withdrawals to shareholders of the parent company (-)	-97.050	-17.200
Disbursements for equity reductions to other shareholders (-)	-3.202	-736
Proceeds from taking up of financial loans (+)	15.673	119
Disbursement for the repayment of financial loans (-)	-21.923	-7.784
Interests paid (-)	-652	-1.594
Dividends paid to shareholders of the parent company (payments of the claim from the profit and loss transfer agreement prior year) (-)	-63.918	-113.124
Cash flow from financing activities	-35.197	-56.778
Payment-relevant changes in cash and cash equivalents	62.554	102.671
Consolidated group-related changes in cash and cash equivalents	7.506	1.008
Cash and cash equivalents at the start of the period	609.451	505.772
Cash and cash equivalents at the end of the period	679.511	609.450

	2021	2020
	TEUR	TEUR
Composition of cash and cash equivalents:		
Cash in hand and credit balances at banks	299.638	302.578
Cash pooling receivable from Heinrich Bauer Verlag KG	379.873	306.872
	679.511	609.450

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Analysis of group equity for the financial year 2021

	Parent company						
	Subscribed capital	Capital reserve	Generated group equity	Equity difference from currency conversion	Equity	Adjustment item for minority interests	Group equity
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
31.12.2019	2.608	1.614.533	-778.977	-2.485	835.678	3.624	839.302
Increase of capital reserve		66.342			66.342		66.342
Consolidated net loss			-43.179		-43.179	-365	-43.544
Other consolidated earnings			-1.970	45.586	43.616	-114	43.502
31.12.2020	2.608	1.680.875	-824.126	43.101	902.457	3.145	905.602
Increase of capital reserve		38.825			38.825		38.825
Consolidated net profit			44.938		44.938	1.792	46.730
Other consolidated earnings			-2.592	-5.671	-8.263	-1.104	-9.367
31.12.2021	2.608	1.719.700	-781.780	37.430	977.957	3.833	981.790

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Notes to Group Financial Statements for the Financial Year 2021

1. General notes

The company is based in Hamburg and registered there in the commercial register of the local court, department B under the number HRB 32176.

The group financial statements and the group management report of Heinrich Bauer Verlag Beteiligungs GmbH as of December 31, 2021 were prepared in accordance with the accounting regulations of HGB (German Commercial Code).

The income statement was prepared according to the total cost method.

2. Consolidation principles

The companies' financial statements included in the consolidation were prepared in accordance with the statutory regulations on a standardized basis as of December 31, 2021.

Up to and including the 2009 financial year, the capital consolidation was applied according to the book value method by offsetting the investment book values with the equity shares recorded at the subsidiaries at the time of acquisition or initial consolidation, allocating the underlying hidden reserves or charges. Since the 2010 financial year, initial consolidation is basically carried out with the values assumed at the time at which the companies became subsidiaries, using the revaluation method (Art. 301 HGB). Here, the valuation base of the shares belonging to the parent company is offset against the subsidiary's amount of equity attributed to these shares. Any difference remaining after offsetting is shown as goodwill if on the assets side; and if it arises on the liabilities side, it is shown under "Differences arising from capital consolidation" after equity.

If, after gaining controlling influence, additional shares in a subsidiary are acquired (increase) or sold (decrease) without the status as a subsidiary being lost, these transactions are shown as a capital operation. In this case, debts and assets values are not to be newly assessed but procurement costs of further shares are to be offset, at the point in time of the acquisition, against the attributable share of other shareholders in equity. If there is a differential amount according to this offsetting, it is to be allocated, without any effect on income, in the group equity.

The affiliated companies not included in the group financial statements are companies whose influence on the group's assets, financial and earnings situation – both individually and as a whole – is of minor importance. The inclusion in the group financial statements in accordance with Art. 296 Para. 2 HGB has therefore been waived. Use is made of the protective clause of Art. 313 Para. 3 HGB in the case of two affiliated companies.

For holdings in associated companies that are valued according to the equity method, the book value method is used. The holdings are included in the group with the proportionate book value of the equity. The accounting and valuation methods presented in the following section are also used for associated companies. There has been no presentation of a consolidated balance sheet and income statement for associated companies due to immateriality.

In the case of associated companies of minor significance, no equity valuation is carried out in accordance with Art. 311 Para. 2 HGB.

Changes in the equity of the subsidiaries due solely to changes in exchange rates are assigned to the capital without any effect on income.

Receivables, liabilities, intra-group sales, expenses and income as well as interim results between the included, consolidated companies are eliminated.

In the year under review, the following companies were included for the first time due to acquisition or materiality criteria:

Company	Registered Office
Acierto Seguros Online, S.L.	Madrid
Asesor Consumer Services, S.L.	Madrid
Bauer Audio FM Sp. z o.o.	Warsaw
Bauer Media Audio Ireland Limited	Dublin *
Bauer Media Audio One Limited	Dublin *
Grove Petal Enterprises Limited	Dublin *
European Radio Corporation Limited	Dublin *
Bauer Media Audio Investments Limited	Dublin *
Offtheball Limited	Dublin *
Spin South West Limited	Dublin *
Radio Two Thousand Limited	Dublin *
Radio Ireland Limited	Dublin *
News 106 Limited	Dublin *
Maypril Limited	Dublin *
Bauer Audio Ireland Limited	Dublin
Bauer Media Audio Ireland LP	Dublin

The Irish companies were consolidated for the first time in June 2021, whereby the companies marked with "*" were already merged within the group in fiscal year 2021 due to legal restructuring.

In the 2021 financial year, the items in the group financial statements changed as follows due to the first-time consolidations of sixteen companies in Europe (figures before disclosure of hidden reserves and goodwill):

in kEUR	31.12.2021
ASSETS	
Fixed assets	1,899
Current assets	22,334
LIABILITIES	
Provisions	1,524
Liabilities	7,412
Income Statement Items	
Sales revenues	54,753
Material expenditures	17,304
Personnel expenditures	11,414

In addition, the first-time consolidations mainly resulted in the capitalization of radio licenses, with a residual carrying amount of kEUR 109,394 as at balance sheet date. In addition, goodwill was capitalized with a residual carrying amount of kEUR 22,007 as at balance sheet date.

Due to sale, liquidation, merger or immateriality, the following companies were removed from the scope of consolidation during the 2021 financial year:

Company	Registered office	Reason
Bauer Inc.	Englewood Cliffs	Sale as at December 31, 2021
Bauer Magazine L.P.	Englewood Cliffs	Sale as at December 31, 2021
Bauer Media Group USA, LLC	Englewood Cliffs	Sale as at December 31, 2021
Bauer Media Sales, Inc.	Englewood Cliffs	Sale as at December 31, 2021
Bauer Publishing Company, L.P.	Englewood Cliffs	Sale as at December 31, 2021
Hamster Inc.	Englewood Cliffs	Sale as at December 31, 2021
Heinrich Bauer North America Inc.	Englewood Cliffs	Sale as at December 31, 2021
Heinrich Bauer Publishing L.P.	Englewood Cliffs	Sale as at December 31, 2021
Anglian Broadcasting Company Holdings Limited	Peterborough	Due to immateriality
Anglian Radio Limited	Peterborough	Due to immateriality
Bauer Media Group (NZ) LP	Auckland, NZ	Due to immateriality
Bauer Radio (Andover) Ltd	Peterborough	Due to immateriality
Compass Radio Limited	Peterborough	Due to immateriality
CRB Audio Ltd	Peterborough	Due to immateriality
Dearne FM Limited	Peterborough	Due to immateriality
Devon Radio Ltd	Peterborough	Due to immateriality
Eagle Radio Limited	Peterborough	Due to immateriality
Encore Radio Limited	Peterborough	Due to immateriality
First Radio Sales Limited	Peterborough	Due to immateriality
KLFM Limited	Peterborough	Due to immateriality
Minster Sound Radio (York) Limited	Peterborough	Due to immateriality
Mix 96 Limited	Peterborough	Due to immateriality
Pirate FM Limited	Peterborough	Due to immateriality
Planet Broadcasting Company Limited	Peterborough	Due to immateriality
Ridings FM Limited	Peterborough	Due to immateriality
Rother FM Limited	Peterborough	Due to immateriality
Rutland Radio Limited	Peterborough	Due to immateriality
Spire FM Limited	Peterborough	Due to immateriality
Spirit FM Limited	Peterborough	Due to immateriality
Stray FM Limited	Peterborough	Due to immateriality
Switch Digital (B&H) Ltd.	Peterborough	Due to immateriality
Switch Digital (S&S) Ltd.	Peterborough	Due to immateriality
Trax FM Limited	Peterborough	Due to immateriality
UKRD Support and Development Limited	Peterborough	Due to immateriality
Wessex Broadcasting Limited	Peterborough	Due to immateriality
Yorkshire Coast Radio Limited	Peterborough	Due to immateriality
Coronam AB	Ängelholm	Merger on January 1, 2021
Zmarta General Partner AB	Ängelholm	Merger on January 1, 2021
Bauer Media Audio Investments Limited	Dublin	Merger in 2021
Bauer Media Audio Ireland Limited	Dublin	Merger in 2021
Bauer Media Audio One Limited	Dublin	Merger in 2021
European Radio Corporation Limited	Dublin	Merger in 2021

Company	Registered office	Reason
Grove Petal Enterprises Limited	Dublin	Merger in 2021
Maypril Limited	Dublin	Merger in 2021
News 106 Limited	Dublin	Merger in 2021
Offtheball Limited	Dublin	Merger in 2021
Radio Ireland Limited	Dublin	Merger in 2021
Radio Two Thousand Limited	Dublin	Merger in 2021
Spin South West Limited	Dublin	Merger in 2021

Effective December 31, 2021, the group has sold its publishing business in the U.S.A. Having already sold businesses in Australia and New Zealand in recent years, Bauer Media Group will focus on Europe in the future.

At the deconsolidation date, the American companies reported the following figures in their balance sheets and income statements:

in KEUR	31.12.2021
ASSETS	
Fixed Assets	8,487
Current Assets	88,971
LIABILITIES	
Provisions	17,098
Liabilities	41,820
Deferred income	8,121
Income Statement Items	2021
Sales revenues	122,019
Material expenses	45,096
Personnel expenses	11,663

The deconsolidations of the other listed subsidiaries had no material impact on the assets, financial and earnings situation.

3. Accounting and valuation principles

In drawing up the group financial statements, the following accounting and valuation methods were essentially authoritative without any change. Accounting and valuation options were applied unchanged compared with the previous year's financial statements.

Intangible assets are shown at purchase costs minus planned depreciation over their probable term of use amounting from three to sixteen years. If a corresponding value adjustment is required, unscheduled depreciation is also carried out beyond the planned depreciation.

Acquired goodwill – including goodwill from initial consolidation of shares (Art. 309 Para. 1 HGB) – is capitalized at cost of acquisition and depreciated according to plan over the probable term of use of four years and/or subjected to unscheduled depreciation where there is a probable sustained value reduction.

The term of use is based on the usability of the underlying publishing / broadcasting / title / trademark rights which were acquired for valuable consideration within the scope of the company takeover. If no term of use

can be determined, a period of four years will be regularly applied for depreciations according to commercial prudence.

Property, plant and equipment is shown at cost of acquisition or production costs minus planned usage-related depreciation and if necessary, unscheduled depreciation. Special tax depreciations were eliminated.

Shares in non-consolidated affiliated companies and holdings are shown at cost of acquisition or at lower attributable values. Additions regarding shares in associated companies include – in addition to acquired shares – capital contributions and prorated annual net profits. Prorated annual net losses and sold shares are recorded under disposals.

Securities held as fixed assets are shown at acquisition cost or at lower attributable values.

Loans are entered with the nominal amount or the lower cash value.

Items in inventories were evaluated in consideration of the lowest value principle at cost of acquisition or production costs or depreciated to a lower market value.

Unfinished and finished products are valued at production costs based on individual calculations, whereby, in addition to directly attributable individual material costs and production wages, manufacturing and material overhead were considered. All cases were valued loss-free.

All identifiable risks in inventories resulting from above-average storage duration and reduced usability are taken into consideration through appropriate write-downs.

Receivables and other assets are basically shown at the nominal value. Risks are taken into consideration through appropriate individual or lump-sum value adjustments.

Cash on hand and credit balances with banks are shown at the nominal value.

Provisions for pensions and similar obligations are shown with the part values and/or cash values for ongoing pensions which are determined using actuarial principles (projected unit credit method). Discounting is carried out at the average market interest rate based on an assumed term of 15 years. In addition, increases in wages and salaries are also considered. The disclosure of the difference in accordance with Art. 253 Para. 6, sentence 1 HGB is waived due to insignificance - i.e. between the provisions for pension obligations in accordance with the corresponding average market interest rate from the past ten financial years and the provisions in accordance with the corresponding average market interest rate from the past seven financial years.

Tax provisions are created in the amount of the probable tax charge.

Other provisions are listed in the sum of the repayment amount – i.e. including future costs and price increases – which is necessary on the basis of a reasonable commercial assessment to take into account all contingent losses on the balance sheet date on pending transactions and uncertain liabilities.

Liabilities are shown with their repayment amount.

Deferred tax assets and liabilities are recognized in the group financial statements for temporary differences between the book values of assets and liabilities in the trade statement and the tax statement and for tax loss carryforwards using the individual tax rate of the respective subsidiary. Differences resulting from consolidation measures in accordance with Articles 300 to 307 HGB (German Commercial Code), in particular in the context of capital consolidation based on the valuation of publishing rights and licenses for broadcasting rights, are also taken into account, but not differences resulting from the initial recognition of goodwill. The calculation is based on the company-specific tax rate that is valid at the time the differences

are eliminated. Deferred tax assets and liabilities are offset. The capitalization of any remaining balance of deferred taxes is not undertaken in exercise of the existing recognition option.

Foreign currency receivables and liabilities are entered with the relevant transaction rate and valued subsequently at the mean spot exchange rate. Exchange rate losses arising up to the balance sheet date through the realization or valuation at the mean spot exchange rate on the financial statement date are taken into account as affecting profit or loss. Non-realized exchange rate profits from currency conversion are only considered to affect profit or loss in the case of remaining terms of up to one year.

4. Currency conversion of foreign currency financial statements by included subsidiaries

The modified reporting date method is used for the conversion of individual financial statements prepared in foreign currency. In this case, all balance sheet items of the included foreign subsidiaries were converted into euros at the respective mean spot exchange rate of the balance sheet date – except for equity which was converted at historical rates. The differences from the conversion of equity resulting from the change in exchange rates versus the previous year were entered, without any effect on income, into the equity difference from currency conversion.

Expenditures and revenues were converted at the average rate. The annual result of the converted income statement was adopted in the balance sheet and the difference was entered, without any effect on income, into the equity difference from currency conversion.

Differences due to the mutual offsetting of receivables and liabilities between the companies included in the group financial statements due to currency conversion were handled as affecting profit and loss within the framework of debt consolidation.

5. Notes on the balance sheet

The development and breakdown of assets is shown in the schedule of assets.

Intangible assets

In the reporting year, incorrect prior-year figures were corrected. The prior-year figures in the consolidated balance sheet were adjusted accordingly. Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets acquired for consideration were increased by kEUR 12,245, while the balance sheet item goodwill was reduced by the same amount. The schedule of assets was also adjusted accordingly.

Radio licenses resulting from the initial consolidation in the amount of kEUR 114,984 were capitalized in the year under review and will be written off as planned over a useful life of 12 years.

The goodwill item includes capitalized differences arising from capital consolidation according to Art. 301 Para. 3 HGB as goodwill which developed as follows:

	kEUR
As of January 1, 2021	45,595
Difference from additions and disposals (including exchange rate differences)	29,316
Depreciations (including exchange rate differences)	-40,425
As of December 31, 2021	34,486

Initial consolidations in 2021 resulted overall in a difference in the amount of kEUR 29,345 capitalized as goodwill.

The goodwill shown in addition in the group balance sheet does not result from capital consolidation.

Financial assets

Shares in affiliated companies shown relate to companies which are of minor importance overall for the group or which are in liquidation and were not consolidated. As in the previous year, no associated companies are consolidated using the equity method.

Receivables and other assets

The trade receivables reported in the balance sheet have a remaining term of less than one year except for kEUR 74 (previous year: kEUR 682).

Receivables from affiliated companies in the amount of kEUR 27 (previous year: kEUR 2,497) have a remaining term of more than one year. Receivables amounting to kEUR 379,873 (previous year: kEUR 306,872) result from financial transactions less liabilities from the profit and loss transfer agreement in the amount of kEUR 208,081 (previous year: kEUR 63,918) and less trade accounts payable in the amount of kEUR 5,868 (previous year: kEUR 1,572).

Receivables from affiliated companies include receivables from the sole shareholder Heinrich Bauer Verlag KG, Hamburg, in the amount of kEUR 157,683 (previous year: kEUR 235,604).

Other assets include kEUR 72 (previous year: kEUR 526) with a remaining term of more than one year, which are based on deposits, among other things.

Deferred taxes

Deferred tax assets and liabilities were determined in the group financial statement resulting from temporary differences between the commercial balance sheet and the tax balance sheet. Deferred tax assets result in particular from differences in fixed assets, for provisions and from tax loss carryforwards. Deferred tax liabilities were determined in particular for unrealized currency gains in connection with foreign currency bank balances or receivables, receivables and deferred income. However, tax loss carryforwards were generally only considered when calculating deferred tax assets to the extent that the tax relief from the loss carryforward is expected to be realized within the next five years. The deferred taxes from the annual financial statements of the consolidated subsidiaries were calculated using the individual tax rates applicable to the companies ranging between 9.0 % and 32.275 % (previous year: 13.228 % and 32.275 %).

Deferred taxes were also calculated on capital consolidation measures in accordance with Articles 300 to 307 HGB (German Commercial Code); in particular, deferred tax liabilities arose in connection with capital consolidation due to the valuation of publishing rights and licenses for broadcasting rights. In addition, deferred tax assets arose as part of the elimination of intercompany profits due to temporary differences in the balance sheet approach regarding fixed assets. The calculation was based on individual company tax rates that are expected to apply at the time the differences are reduced, which range between 12.5 % and 26.5 % (previous year 19.0 % and 32.023 %).

Overall, the consolidation measures resulted in deferred tax liabilities which summed up with deferred tax assets from temporary differences and tax loss carryforwards as defined in Art. 274 of the HGB, resulting in an excess of deferred tax liabilities.

Deferred tax assets and liabilities developed as follows in the year under review:

in kEUR	Deferred tax assets	Deferred tax liabilities	Balance
As of January 1, 2021	28,354	-41,763	-13,409
Development	9,615	-14,555	-4,940
As of December 31, 2021	37,969	-56,318	-18,349

Subscribed capital

The share capital entered in the commercial register amounts to DM 5,100,000.00 (EUR 2,607,588.61).

Other provisions

Other provisions are essentially obligations to accept returns, advertising rebates, obligations in the personnel area, legal disputes as well as outstanding invoices received.

Liabilities

The remaining terms of the liabilities are as follows:

	Total	Remaining term		
		up to 1 year	1 to 5 years	> 5 years
Due to banks	11,878	7,898	3,980	0
<i>previous year</i>	33,755	21,914	11,842	0
Advance payments received	2,517	1,621	896	0
<i>previous year</i>	1,931	998	933	0
Trade accounts payable	115,234	115,234	0	0
<i>previous year</i>	95,853	95,853	0	0
Amounts owed to affiliated companies	24,233	9,054	15,179	0
<i>previous year</i>	1,063	1,063	0	0
Amounts owed to associated companies	43	43	0	0
<i>previous year</i>	0	0	0	0
Other liabilities	50,483	50,483	0	0
<i>previous year</i>	56,721	56,334	387	0
	204,388	184,333	20,055	0
	<i>189,323</i>	<i>176,162</i>	<i>13,161</i>	<i>0</i>

The liabilities due to banks are fully secured by a guarantee from the shareholder Heinrich Bauer Verlag KG.

Amounts owed to affiliated companies include liabilities to the sole shareholder Heinrich Bauer Verlag KG, Hamburg, of kEUR 17,042 (previous year: kEUR 0).

Liabilities, owed to affiliated companies include trade accounts payable in the amount of kEUR 7,192 (previous year: kEUR 1,063). Furthermore, this amount includes loans payable to group companies in the amount of kEUR 17,041 (previous year: kEUR 0), which have a remaining term of one to three years and bear interest at rates ranging from 0.96% to 2.59%.

6. Contingent liabilities and other financial obligations

Contingent liabilities

As of the balance sheet date, contingent liabilities from guarantees existed in the amount of kEUR 2,197 (previous year: kEUR 2,117).

Based on the net assets, financial position and earnings situation of the companies, any utilization is not expected.

Other financial obligations

As of the balance sheet date, rental and leasing obligations existed totaling kEUR 179,426 (previous year: kEUR 45,849), thereof kEUR 0 (previous year: kEUR 0) to affiliated companies. Furthermore, there are financial obligations due to printing contracts to the extent customary in the industry.

Bauer Media AS from Norway has other financial obligations of the equivalent of kEUR 35,552 (NOK 355 million, thereof NOK 38 million in 2021) from a contract for the digital distribution of audio signals (DAB) with a term until 2031.

7. Notes on the income statement

The breakdown of sales after sales deductions is shown in the table below:

	2021 kEUR	2020 kEUR
Breakdown by areas		
Distribution	537,814	561,032
Radio	598,340	453,612
Advertising	69,274	65,763
Digital	167,083	178,697
Printing	19,474	18,125
Other revenues from publishing business	21,989	18,510
	<u>1,413,975</u>	<u>1,295,739</u>
Breakdown by regions		
Germany	14,447	9,310
Europe	1,311,372	1,139,700
North America	80,233	73,100
Asia / Pacific	7,923	73,629
	<u>1,413,975</u>	<u>1,295,739</u>

Unscheduled depreciations

In intangible assets, unscheduled depreciations were made in the amount of kEUR 1,956 (previous year: kEUR 516) which are mainly due to the lower profitability of internally generated intangible assets in the OCP and publishing area (previous year: in the OCP area).

Income of exceptional magnitude

Income of exceptional magnitude amounting to kEUR 113,090 is reported under other operating income and mainly results from the sale of the American publishing group (previous year: Czech ProfiSMS Group (kEUR 4,229) and the Polish Interia Group (kEUR 43,751)).

Income unrelated to accounting period

Other operating income includes income from the reversal of provisions amounting to kEUR 1.871 (previous year: kEUR 4.772).

Expenses of exceptional magnitude

No expenses of an extraordinary magnitude occurred in the reporting year. The expenses occurred in the previous year totaling kEUR 46,088 were related to the deconsolidation of the Australian publishing companies and expenses in connection with the sale of the non-consolidated shares in the Russian publishing companies.

Notes to the cash flow statement

The cash flow statement was prepared in accordance with DRS 21. Financial resources include cash on hand and checks, credit balances at banks available at short notice as well as receivables from cash pooling versus Heinrich Bauer Verlag KG.

8. Other information**Information regarding the auditor's fee**

KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, is the company's auditor. The fee for the auditor of the consolidated financial statements recognized as an expense in the financial year 2021 amounts to kEUR 105. No other certification services, tax advisory services or other services were provided.

Number of employees

The average number of employees by region and gender is as follows:

	2021	2020
female	3	0
male	9	2
Germany	<u>12</u>	<u>2</u>
female	3,222	3,167
male	2,954	2,950
Europe	<u>6,176</u>	<u>6,117</u>
female	78	83
male	29	29
North America	<u>107</u>	<u>112</u>
female	0	233
male	0	100
Asia / Pacific	<u>0</u>	<u>333</u>
female	3,303	3,483
male	2,992	3,081
Total	<u>6,295</u>	<u>6,564</u>

Composition and remuneration of Management

In the financial year, the Management of Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg, was made up as follows:

Mr. Heinz H. Bauer, Hamburg, Publisher

Mrs. Yvonne Bauer, Hamburg, Managing Director

Mrs. Michaela Gärtner, Ahrensburg, Managing Director (since November 22, 2021)

Mr. Dr. jur. Gerald Werner Kurt Mai, Hamburg, Managing Director (since November 22, 2021)

Mr. Veit Dengler, Zollikon, Switzerland, Managing Director (until November 22, 2021)

Mr. Steven Kotok, New York, New York/USA, Managing Director (until February 11, 2022)

Mr. Bill Houston, Haddon Heights, New Jersey/USA, Managing Director (until February 11, 2022).

Management does not receive any remuneration from the companies included in the subgroup for their work as managing directors.

Controlling and profit and loss transfer agreement

A profit and loss transfer agreement exists between the sole shareholder Heinrich Bauer Verlag KG, Hamburg, and Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg.

Group membership

All company shares are held by Heinrich Bauer Verlag KG, Hamburg. As the group parent company, Heinrich Bauer Verlag KG prepares the group financial statements according to the provisions of the German Disclosure Act. These are published in the electronic Federal Gazette.

Supplementary report

With official approval as of May 31, 2022, the group acquired the Media Capital Rádios Group in Portugal for an amount just under the three-digit million range. The Bauer Media Group is thus entering the Portuguese market and expanding its reach to nine countries. Media Capital Rádios, the leading radio group in the region with a weekly reach of over 4.5 million listeners, will operate under the name Bauer Media Audio Portugal in the future. The group owns four of the ten most listened-to radio stations in Portugal. This acquisition is an essential part of Bauer Media Audio's strategy on its way to becoming a global audio pioneer offering innovative listening and advertising services. For the fiscal year 2022, this acquisition is expected to contribute revenues in the low double-digit million Euro range and operating profit in the low one-digit million Euro range.

The negative effects of the Russian invasion of Ukraine and the impact of the resulting further increase in geopolitical tensions on the global economy are not yet fully foreseeable. In this regard, we also refer to the presentation in the management report regarding forecasting and risk reporting.

Hamburg, July 12, 2022

Management of Heinrich Bauer Verlag Beteiligungs GmbH

Heinz H. Bauer

Yvonne Bauer

Michaela Gärtner

Dr. Gerald Mai

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Development of assets for the financial year 2021

Purchase and production costs								
	1.1.2021	Differences in exchange rates	Additions	Transfers	Changes in the consolidation scope	Disposals	31.12.2021	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets								
1. Concessions, industrial property rights and similar rights and values plus licences to such rights and values	1 223 307.599	6.105.611	124.823.144	235.391	-525.617	-1 007.477	1.352.938.650	
2. Goodwill	504.127.162	217.883	33.237.715	507.858	-30.071.796	-615.714	507.402.908	
3. Payments in advance	124.830	-1.054	124.237	0	0	-33.925	214.088	
	1.727.559.591	6.322.440	158.185.096	743.049	-30.597.413	-1.657.116	1.860.555.647	
II. Property, plant and equipment								
1. Land, land rights and buildings including buildings on third- party land	68.880.944	1.935.229	1.188.184	5.960	-261.771	-1.723.696	70.024.850	
2. Technical equipment and machinery	77.980.422	447.914	4.139.396	35.806	48.094	-2.887.745	79.743.887	
3. Other plant, operating and office equipment	76.612.651	2.703.519	5.924.777	21.303	-6.931.907,00	-6.158.165	72.172.178	
4. Payments in advance and plants under construction	418.733	-5.416	925.711	-43.825	0	-141.986	1.153.217	
	223.872.750	5.081.246	12.178.068	19.244	-7.145.584	-10.911.592	223.094.132	
III. Financial assets								
1. Shares in affiliated companies	614.079.665	27.337.652	4.514.954	5.561.803	25.722.551	-576.856.689	100.359.936	
2. Shares in investments	6.365.489	31.704	9.515	-5.895.101	0	-9.512	502.095	
3. Long-term securities	2.532.215	250	14.612	0	97.436	-738.782	1.905.731	
4. Other loans	6.205.684	277.500	415.391	0	0	-217.069	6.681.506	
	629.183.053	27.647.106	4.954.472	-333.298	25.819.987	-577.822.052	109.449.268	
	2.580.615.394	39.050.792	175.317.636	428.995	-11.923.010	-590.390.760	2.193.099.047	

Accumulated depreciations							Net book value		
1.1.2021	Differences in exchange rates	Additions	Write-ups	Transfers	Changes in the consolidation scope	Disposals	31.12.2021	31.12.2021	31.12.2020
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
979.258.984	4.270.455	42.568.851	-8.190	180.469	-390.295	-872.283	1.025.007.991	327.930.659	244.048.615
448.137.199	-46.373	42.570.381	0	439.627	-30.071.796	-507.658	460.521.380	46.881.529	55.989.964
0	0	0	0	0	0	0	0	214.088	124.830
1.427.396.182	4.224.083	85.139.232	-8.190	620.097	-30.462.091	-1.379.941	1.485.529.371	375.026.276	300.163.408
32.865.693	390.083	1.549.367	0	-18.210	-1.068.342	-998.130	32.720.461	37.304.389	36.015.251
68.974.554	239.623	3.787.519	0	-7.908	-355.359	-1.638.016	71.000.413	8.743.474	8.985.869
56.641.405	2.017.229	6.766.485	0	42.685	-6.590.087	-4.327.993	54.549.724	17.622.454	19.971.246
0	0	0	0	0	0	0	0	1.153.217	418.733
158.481.651	2.646.935	12.103.371	0	16.567	-8.013.788	-6.964.139	158.270.597	64.823.535	65.391.099
536.844.270	27.337.530	12	-5.732.493	0	73.563.719	-551.173.114	80.839.925	19.520.011	77.235.394
383.290	3.533	0	0	-333.297	0	0	53.526	448.569	5.982.199
1.183.830	0	0	0	0	0	0	1.183.830	721.901	1.348.385
2.023.928	-5	296.882	0	0	0	-3.286	2.317.519	4.363.987	4.181.756
540.435.319	27.341.058	296.894	-5.732.493	-333.297	73.563.719	-551.176.400	84.394.801	25.054.467	88.747.734
2.126.313.152	34.212.076	97.539.497	-5.740.683	303.367	35.087.841	-559.520.480	1.728.194.769	464.904.278	454.302.241

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Schedule of share ownership

A. Notes on the schedule of share ownership and the scope of consolidation

In 2021, a total of 178 companies (previous year: 283 companies) formed part of the share ownership of Heinrich Bauer Verlag Beteiligungs GmbH group.

The group financial statements as of 31 December 2021 covered, in addition to Heinrich Bauer Verlag Beteiligungs GmbH (parent company), a total of 145 (previous year: 157) German and foreign companies (direct and indirect holdings) as well as zero (previous year: three) associated companies.

One company (previous year: two companies) is included without a voting rights majority by way of full consolidation since the parent company has the possibility of control pursuant to Art. 290 HGB.

For two affiliated companies, use is made of the exception rule in Art. 313 Para. 3 HGB.

The companies listed in Section D are not included in the group financial statements due to materiality criteria according to Art. 296 Para. 2 HGB. This covers a total of 33 (previous year: 123) German and foreign companies, including twelve (previous year: twelve) associated companies.

B. Scope of consolidation

Companies included in the 2021 group financial statements in addition to Heinrich Bauer Verlag Beteiligungs GmbH

Direct holdings

<i>Company</i>	<i>Registered office</i>	<i>Shares in group ownership in %</i>
Bauer Media Group USA, LLC	Englewood Cliffs	100
Bauer Media Audio Ltd.	Peterborough	100
Bauer Media Audio LP	Peterborough	100
HBVB Management Limited	Peterborough	100
Bauer Media France SCS	Paris	95
H. Bauer Publishing	London	99,98
H. Bauer Publishing Limited	Peterborough	99,992
PL Invest Beteiligungs GmbH	Hamburg	100
Bauer Sp. z o.o.	Warsaw	100
Bauer Media Audio Holding GmbH ¹	Hamburg	100
Bauer Russland Beteiligungs GmbH	Hamburg	100
Bauer Ost Holding GmbH	Hamburg	100
Bauer Media Invest GmbH	Hamburg	100
Bauer Slowakei Beteiligungs GmbH	Hamburg	100
Bauer Polen Invest GmbH	Hamburg	100
Bauer Ausland 2 GmbH	Hamburg	100
Bauer Print Ciechanów Sp. z o.o.	Warsaw	100
Bauer Sp. z o.o. Polska Sp.j.	Warsaw	99,995192
Digital Lottery Sp. z o.o.	Warsaw	100
HBVB	Peterborough	99,99
Bauer Media Group (NZ) LP	Auckland, NZ	100

¹ Bauer Media Audio Holding GmbH, Hamburg, makes use of the exception rule pursuant to Art. 264 para. 3 HGB.

Indirect holdings

Company	Registered office	Shares in group ownership in %
Bauer Media Sales, Inc.	Englewood Cliffs	100
Heinrich Bauer North America Inc.	Englewood Cliffs	100
Hamster Inc.	Englewood Cliffs	100
OCP Holding GmbH	Hamburg	100
Acierto Seguros Online, S.L.	Madrid	100
Asesor Consumer Services, S.L.	Madrid	100
Bauer Publishing Company, L.P.	Englewood Cliffs	100
Bauer Inc.	Englewood Cliffs	100
Société d'Édition et de Télévision par Câble SNC	Paris	100
Bauer Magazine L.P.	Englewood Cliffs	100
Heinrich Bauer Publishing L.P.	Englewood Cliffs	100
Sunrise System Sp. z o.o.	Warsaw	100
Sunrise System Sp. z o.o., Sp.k.	Poznan	100
Rankomat.PL Sp. z o.o.	Warsaw	100
Pro Pozycje Sp. z o.o., Sp.k.	Wroclaw	100
Pro Pozycje Sp. z o.o.	Warsaw	100
Rankomat Sp. z o.o.	Warsaw	100
Artefakt Sp. z o.o.	Warsaw	100
Artefakt Sp. z o.o., Sp.k.	Wroclaw	100
Bauer Print Ciechanów Sp. z o.o., Sp. j.	Warsaw	100
Wydawnictwo Bauer Sp. z o.o., Sp. j.	Warsaw	100
D.EXPRES, k.s.	Bratislava	100
EXPRES NET, k.s.	Bratislava	100
EXPRES MEDIA Slovakia k.s.	Bratislava	100
D.EXPRES Management spol. s.r.o.	Bratislava	100
EXPRES NET Management spol. s.r.o.	Bratislava	100
Srovnejto.cz a.s.	Prague	100
ePojisteni.cz s.r.o.	Prague	100
Elephant Orchestra s.r.o.	Prague	100
Tarifomat s.r.o.	Prague	100
Grupa RMF Sp. z o.o., Sp.k.	Warsaw	100
Radio Muzyka Fakty Grupa RMF Sp. z o.o., Sp. K.	Krakow	100
Multimedia Sp. z o.o.	Krakow	100
Radio 90 Sp. z o.o.	Rybnik	44
OPERA FM Sp. z o.o.	Krakow	100
Bauer Audio FM Sp. z o.o.	Warsaw	100
AIDA S.A.	Krakow	100

Company	Registered office	Shares in group ownership in %
RMF Sp. z o.o.	Warsaw	100
Widzialni.pl Sp. z o.o. Sp.k.	Poznan	100
Widzialni.pl Sp. z o.o.	Warsaw	100
Ubezpieczenia online.pl Rankomat Sp. z o.o. Sp.k.	Wroclaw	100
Semahead Sp. z o.o. Sp.k.	Krakow	100
Grupa Tense Polska Sp. z o.o. Sp.k.	Poznan	100
Ubezpieczenia Rankomat Sp. z o.o., Sp. k.	Warsaw	100
Bauer Media Audio Filial	Stockholm	100
Bauer Publishing AB	Stockholm	100
Bauer Media AS	Bergen	100
Nya Radio City AB	Stockholm	50,8
Bauer Media ApS	Skovlunde	100
Bauer Media Holding Oy	Helsinki	100
Miracle Sound Oy	Helsinki	51
Miracle Sound Oulu Oy	Helsinki	100
Bauer Media Oy	Helsinki	100
Kaimax Media Oy	Helsinki	100
3N Radiot Oy	Helsinki	100
Insplanet Försäkringsförmedling AB	Stockholm	100
Insplanet AB	Stockholm	100
Ceratiidae II AB	Ängelholm	100
Zmarta Holding AB	Ängelholm	100
Freedom Finance Holdings AB	Ängelholm	100
Finansa AS	Oslo	100
Zmarta AB	Ängelholm	100
Ceratiidae Norway AS	Oslo	100
NewCent Finans AS	Oslo	100
ABC Finansgruppen AS	Oslo	100
Zmarta AS	Oslo	100
Freedom Rahoitus Holding Oy	Helsinki	100
Freedom Rahoitus Oy	Helsinki	100
Elskling AB	Stockholm	100
Bauer Consumer Media Ltd.	Peterborough	100
Gold Key Media Limited	Peterborough	100
Frontline Ltd.	Peterborough	85,3
Seymour International Ltd.	Peterborough	100
Seymour Distribution Ltd.	Peterborough	100
Frontline Publishing Services Ltd.	Peterborough	100
Routes to Retail Ltd.	Peterborough	100

Company	Registered office	Shares in group ownership In %
Bauer Radio Ltd.	Peterborough	100
Bauer Digital Radio Ltd.	Peterborough	100
Downtown Radio Ltd.	Newtownards	100
Bauer Group Secretariat Ltd	Peterborough	100
Switch Digital (B&H) Ltd.	Peterborough	100
Switch Digital (S&S) Ltd.	Peterborough	100
CRB Audio Group Limited	Peterborough	100
Anglian Broadcasting Company Holdings Limited	Peterborough	100
Anglian Radio Limited	Peterborough	100
Devon Radio Ltd	Peterborough	100
Bauer Radio (Andover) Ltd	Peterborough	100
CRB Audio Ltd	Peterborough	100
Lincs FM Group Limited	Peterborough	100
Compass Radio Limited	Peterborough	100
Dearne FM Limited	Peterborough	100
Planet Broadcasting Company Limited	Peterborough	100
Ridings FM Limited	Peterborough	100
Rother FM Limited	Peterborough	100
Rutland Radio Limited	Peterborough	100
Trax FM Limited	Peterborough	100
UKRD Group Limited	Peterborough	100
UKRD Support and Development Limited	Peterborough	100
Pirate FM Limited	Peterborough	100
Eagle Radio Limited	Peterborough	100
KLFM Limited	Peterborough	100
Minster Sound Radio (York) Limited	Peterborough	100
Mix 96 Limited	Peterborough	100
Spire FM Limited	Peterborough	100
Spirit FM Limited	Peterborough	100
Stray FM Limited	Peterborough	100
Wessex Broadcasting Limited	Peterborough	100
Yorkshire Coast Radio Limited	Peterborough	100
Encore Radio Limited	Peterborough	100
First Radio Sales Limited	Peterborough	100
Bauer Media Audio Ireland Limited	Dublin	100
Bauer Media Audio One Limited	Dublin	100
Grove Petal Enterprises Limited	Dublin	100
European Radio Corporation Limited	Dublin	100
Bauer Media Audio Investments Limited	Dublin	100

Company	Registered office	Shares in group ownership in %
Offtheball Limited	Dublin	100
Spin South West Limited	Dublin	100
Radio Two Thousand Limited	Dublin	100
Radio Ireland Limited	Dublin	100
News 106 Limited	Dublin	100
Maypril Limited	Dublin	100
Bauer Audio Ireland Limited	Dublin	100
Bauer Media Audio Ireland LP	Dublin	100
Bauer Media Sales, Inc.	Englewood Cliffs	100
Heinrich Bauer North America Inc.	Englewood Cliffs	100
Hamster Inc.	Englewood Cliffs	100
OCP Holding GmbH	Hamburg	100
Acierito Seguros Online, S.L.	Madrid	100
Asesor Consumer Services, S.L.	Madrid	100
Bauer Publishing Company, L.P.	Englewood Cliffs	99
Bauer Inc.	Englewood Cliffs	100
Société d'Édition et de Télévision par Câble SNC	Paris	100

C. Companies not included in the group financial statement

Affiliated companies

Company	Registered office	Shares in group ownership in %
BAUER MEDIA v.o.s.	Prague	100
Bauer Media Sp. z o.o. Sp.k.	Warsaw	100
Bauer Media Sp. z o.o.	Warsaw	100
BAUER MEDIA PRAHA v.o.s.	Prague	99,99
Mediatkojat Oy	Pori	100
Nadacia Radia Expres	Bratislava	100
Rankosoft Sp.z o.o. i.L.	Warsaw	100
Rankosoft Sp. z o.o., Sp.k.	Warsaw	100
Semahead Sp. z o.o.	Warsaw	100
Grupa Tense Polska Sp. z o.o.	Warsaw	100
Kuunappi Radioliiketoiminta Oy	Helsinki	100
Oy Basso Media Ltd	Helsinki	100
Tuotantoyhtiö Manuskript Oy	Helsinki	100
USM Magazine Distribution Ltd.	Peterborough	100

Company	Registered office	Shares in group ownership in %
Radio City (Sound of Merseyside) Ltd.	Peterborough	100
Piccadilly Radio Ltd.	Peterborough	100
EG Digital Ltd.	Peterborough	51
Radio Forth Ltd.	Glasgow	100
Bauer Media (NZ) Ltd.	Auckland, NZ	100

Associated companies

Company	Registered office	Shares in group ownership in %
Norsk Radio AS	Oslo	33
Independent Radio News Ltd.	London	22,34
C.E. Digital Ltd.	London	50
Radiocentre Limited	London	32,55
Sound Digital Limited	Peterborough	30
Octave IP Limited	Peterborough	50
Muxco Lincolnshire Limited	London	51
Muxco Suffolk Limited	London	33,33
Ipswich 102 LTD	Cowbridge	40
Muxco Surrey and North Sussex Limited	London	50
Muxco North Yorkshire Limited	London	50

HEINRICH BAUER VERLAG BETEILIGUNGS GMBH, HAMBURG

GROUP MANAGEMENT REPORT 2021

1. Fundamentals of the company

1.1 Business model and segments of the group

In the 2021 financial year, Heinrich Bauer Verlag Beteiligungs GmbH as holding company of the international business of Bauer Media Group held direct and indirect interests in companies in Great Britain, Sweden, Denmark, Finland, Ireland, Norway, France, Spain, Poland, Slovakia, the Czech Republic, the United States and New Zealand. Heinrich Bauer Verlag Beteiligungs GmbH and its subsidiaries (hereinafter also referred to as Bauer Media Group in this Group Management Report) are an internationally operating diversified group of companies with the business areas of publishing, audio, OCP – i.e. online comparison platforms – as well as SME services – i.e. marketing and distribution services for small and medium-sized enterprises.

More than 400 magazines, over 100 digital products and over 150 radio and TV stations reach millions of people around the globe.

With sales of about EUR 649 million, publishing is still the most important business area of Bauer Media Group. It comprises the magazine business, online activities, print houses and publishing services.

The audio business area contributes with about EUR 598 million to sales. We are one of the largest commercial radio broadcasting services in Europe and reach an audience of about 57 million listeners weekly. In addition, we provide digital platforms and operate podcasts.

Meanwhile, the business area of comparison platforms contributes about EUR 132 million to total sales. About 10 million people are using our service in Scandinavia, Spain and in Eastern Europe.

In 2018, the business area marketing and distribution services for small and medium-sized enterprises (SME) was added with sales of about EUR 35 million.

With its takeover of the Media Capital Rádios in Portugal in the spring of 2022, Bauer Media Group enters the audio market in Portugal and thus expands its audio business to nine countries in order to further develop its position as Europe's leading commercial radio broadcaster with weekly more than 61 million listeners. In addition to its growth through acquisitions, the Group strategy consists of expanding and pushing ahead the further digital development in the entire segment of the industry. In May 2022, Bauer Media Group obtained the authorities' full approval for the takeover of Media Capital Rádios.

1.2 Objectives and strategies

It is the objective of Bauer Media Group to increase long-term and sustainably the Group's corporate value.

Bauer Media Group is one of the most successful enterprises in the publishing sector worldwide. Our editorial processes as well as the quality of our journalistic products provide the basis for our success. However, due to the further progressing digitalization and thus accordingly changed consumers' patterns of media use, the publishing business is subject to tremendous changes. We will be successful in that environment if we rely on our traditional strength, i.e. of anticipating market changes and consistently adjusting to them. End of 2021, we decided to sell our operative publishing business in the USA. Since the US-market was subject to intense consolidation as well as highly volatile consumer trends, we deemed it impossible – in view of our low market share – to profitably expand our weak market position.

With our move into the radio broadcasting business in 2008, we started to expand the focus of our Group from being purely a publishing house to becoming an increasingly more diversified group of companies.

Overall, our radio business developed very positively. With the takeover of the Communicorp Group in Ireland in the spring of 2021, Bauer Media Group entered the audio market of the Republic of Ireland and thus expanded its audio business to eight countries. This acquisition is an essential component part in the strategy by Bauer Media Audio on its way to a global audio pioneer, offering innovative radio audience and advertising services.

Our entry into the business with comparison platforms in 2015 marked our successful continuation of further diversification. In this business area, we further continue the strategy of establishing a leading platform in Europe in order to further leverage synergies especially in the areas of marketing, technology and data among the individual markets and to thus provide us with competitive advantages in the individual countries.

In 2021 as well, we strategically pressed ahead with the transformation of our corporate group to a more widely diversified enterprise with several business areas; and, at the same time, we also invested in our mainstay, our publishing business. In the future as well, Bauer Media Group will continue to invest further with the objective of making us stronger in more stable business segments but also to make divestments in niche markets or in weaker segments and markets.

At the same time, we rely on a continuous expansion of our growing audio segment; and, additionally, we develop new business areas to set up our corporate group in a sustained and broader manner, making the group more resilient against the further downtrend to be expected in the publishing area.

1.3 Steering system

We oriented our internal steering system along our group strategy and defined financial performance indicators (which at the same time present our control parameters), enabling us to make the success of our strategy measurable.

An important module of our internal steering and control system are detailed monthly reports. They include the monthly results of our most important activities. Based on these reports, we compare actual values with budget or target values; and in case of deviations, we conduct further analyses and introduce suitable corrective measures.

Our focus is on the sustained increase of our profitability. In this respect, the most important target and control parameters are sales and the operating result adjusted for special influences.

1.4 Shareholders and group structure

Heinrich Bauer Verlag Beteiligungs GmbH is the parent company with its registered office in Hamburg and must prepare group financial statements according to Art. 290 Para. 1 HGB (German Commercial Code). Consolidated holdings are presented in the Notes to the group financial statements. The group financial statements include subsidiaries in Germany, Denmark, Finland, France, Great Britain, Ireland, Norway, Poland, Sweden, Slovakia, Spain, the Czech Republic, as well as – for the last time in 2021 – the United States and New Zealand.

2. Economic report

2.1 Macroeconomic framework conditions

In the year 2021 as well, global economic development was substantially determined by the covid-19 pandemic. Following a 3.5 percent decline in 2020, the gross domestic product in real terms increased by 5.9 percent. In many countries, the upsurge was accompanied, in this respect, by a price hike as well as supply bottlenecks.

The economy in the eurozone has vigorously grown especially during the summertime. Overall, real gross domestic product (GDP) increased by 5.2 percent in 2021 – after a 6.6 percent decline in the year before. However, infection numbers increasing again towards the end of the year repeatedly required temporary containment measures.

Most recently, the economic recovery of the German industry was thwarted again by the fourth wave of infections. The French economy recovered clearly more significantly. In 2021, real GDP grew again by 7.0 percent after a decline by 8.0 percent in the previous year. Great Britain's economy recovered just as strongly. The real GDP increased by 7.5 percent after a decline by 9.4 percent in the previous year.

Our management agenda continues to be, moreover, strongly affected by global trends which we cannot ignore, and which are thus increasingly reflected in our results and planning. The most significant trend is the progressing digitalization and the accompanying transformation of the (media) industry.

There is a risk in the steadily and increasingly faster transformation of our publishing segment – our traditional field of business activities. Major digital platforms, such as Google and Facebook, continue to profit from huge user growth rates; accordingly, advertising accounts transfer large parts of their budgets to them. This dramatic digital transformation has far-reaching consequences, especially dropping print runs of magazines and the resulting deterioration of conventional distribution channels. Digital revenues can mitigate sales declines in the classical magazine business only to a limited extent. We generally established that the trends observed in the past concerning the use of media and media-related services were considerably accelerated due to the coronavirus crisis.

Political developments in terms of autocracy and populism also impact our business ever more seriously and result in governmental or state interventions in the media industry in the broadest sense of the word.

However, our full attention is required not only with regard to globally social, political and economic change processes but also and especially regarding the growing dynamics of this change. In this climate and environment, we can only continue to be successful if we are able to continuously increase the flexibility and agility of the Bauer Media Group, as well as strengthen existing businesses consistently and in a focused way – thus adjusting to the changing environment. On all levels of the enterprise, it is essential that we recruit and retain employees in order to enable us to successfully shape and structure the transition.

Yet, opportunities are also provided in the new, rapidly growing and profitable business prospects, such as – in our case – in the areas of digital radio, comparison platforms or marketing and distribution services for small and medium-sized enterprises.

The following description is focused on markets and regions which are, from the group's viewpoint, not only adequate in size but strategically important as well.

2.1.1. Development in Germany

In 2021, the German economy showed a growth of 2.7 percent after it had gone through a hefty slump in gross domestic product due to the coronavirus crisis in 2020. Last year, the industry suffered serious supply bottlenecks for essential intermediates and was unable to properly ramp up its production again – despite full order books. Due to the pandemic, some service areas had to cope with painful restrictions in their economic activities not only at the beginning of the year but also at its end again.

On the labor market, the recovery held up until the fourth quarter of 2021. However, based on the notices concerning cyclical short-time work in December 2021, it became apparent that short-time work might increase again. Even if the labor market dynamics will lose momentum due to the increasing rise of the omicron variant of the corona virus, most companies might try to keep their workforce to avoid any shortages in skilled and specialist employees.

In December 2021, the rate of inflation was 5.3 percent and thus reached its highest level since 1992. Overall, the rate of inflation amounted, in 2021, to an average of 3.1 percent; a higher value had last been recorded in the year 1993.

2.1.2 Development in Great Britain

In 2020, the British economy suffered from a drop in gross domestic product by nearly 10 percent and was thus hit significantly harder yet by the coronavirus pandemic than even the eurozone or Germany. In 2021, Great Britain again experienced a distinct recovery with an increase of 7.5 percent although the level before the coronavirus pandemic could not yet be reached again. In 2021, the rate of inflation increased again with 2.6 percent versus the previous year (0.9 percent).

2.1.3 Development in Poland

The well diversified Polish economy is among the ones least affected by the COVID-19 pandemic in Europe. Nonetheless, in 2020, GDP dropped by 2.5 percent. In the year 2021, Poland was able to overcome this temporary weakening of its economy and realize an increase of 5.7 percent of the gross domestic product in the year 2021.

However, the development on the labor market in Poland was unable to keep pace with the development of the gross domestic product. After the unemployment rate was 3.2 percent in the year 2020 which had been impacted by the pandemic, the rate still increased slightly to 3.4 percent in 2021 despite the economic recovery.

The same applies for the development of consumer prices. In 2021, the annual mean of the inflation was 5.2 percent and thus higher by approx. 1.6 percentage points than in 2020.

2.1.4 Development in the U.S.A.

In 2021, the U.S. economy was also able to profit from the global recovery. After a drop of the gross domestic product by 3.4 percent in 2020, a growth rate of 5.7 percent was reached again in the year 2021. This was accompanied, however, by a significant increase in the rate of inflation which increased from 1.2 percent in 2020 to 4.7 percent in 2021.

2.1.5 Development in Sweden

The Swedish economy also showed a positive development in 2021 and was able to compensate again the decline by 3.1 percent in the previous year with a growth of the gross domestic product in the amount of 4.6 percent. The rate of inflation increased again to 2.7 percent compared with only 0.7 percent in 2020.

2.1.6 Development in the Czech Republic

In 2020, the Czech economy had to accept a decline of its real gross domestic product by 5.8 percent which could not yet be compensated with a growth of 3.3 percent in 2021. The rate of inflation remained constant, with 3.3 percent, at the previous year's level.

2.1.7 Development in France

Although the decline by 8.0 percent in France's gross domestic product was not quite as significant as in Great Britain, it was still significantly higher than in Germany or in the Eastern European countries. Growth was also significant in 2021 and amounted to 7 percent. At the same time, the rate of inflation increased from only 0.5 percent in 2020 to a consumer price increase by 2.1 percent in the year 2021.

2.2 Sector-specific framework conditions and 2021 course of business

Same as in the year before, the year 2021 was affected by the impacts of the coronavirus pandemic. Still to be observed were the following which affected the relevant markets: The measures taken by many governments, such as curfews and contact bans; the loss of income suffered by parts of the population due to short-time work or job losses; the general decline in economic output and performance; as well as the high level of uncertainty among advertising companies in terms of the future economic development.

Over the past year, the advertising market recovered only slightly. For example, advertising expenses in German public or general-interest magazines increased by +1 percent versus the previous year – after the advertising market had been in decline by -11 percent in the year 2020. However, the development of the circulation copies trended to approximately the pre-pandemic values: Thus, after a significant decline by -9.8 percent in 2020, it was possible to slightly throttle the downward trend in 2021 with -5.5 percent. In 2019, the circulation sold had declined by -5.1 percent.

Overall, sales of the German press wholesale business declined in business year 2021 by EUR 76 million (-4.30 percent) to EUR 1.69 billion. In this respect, the press core business – the sale of newspapers and magazines – share in the decline by EUR 86 million or 7.21 percent. While there were significant changes to be detected in the demand for specific product groups in the 2020 “corona year”, the demand-related behavior had largely been normalized again in 2021.

Compared with the print business, radio markets were able to present a significant recovery in 2021: In all our geographies, we observed a significant growth of the advertising market. This varied between +8 percent (Ireland) and +32 percent (Norway). Our largest market – the United Kingdom – reported advertising growth of +27 until November inclusively.

The OCP business was at least able to grow slightly again versus the previous year. This is especially attributable to higher sales in insurances as well as in energy. Since the end of the summer, the increase in raw material prices in particular resulted in an unexpected growth of the energy sales which had remained stable until then. Nevertheless, we were unable to reach overall our sales expectations due to the market circumstances – stricter risk assessments in the credit business as well as decreases in new registrations of passenger cars with negative effects for car insurances.

The business area SME Services ended the year with a significant sales increase versus the previous year. Main driver for this was the persistently positive trend in the Polish SME group. Not only the search engine optimization sales increased significantly but also the sales with pay-per-click.

2.3 Earnings situation

The earnings situation of the group financial statements is to be taken from the following economic performance summary:

<i>Accounts shown in kEUR</i>	2021	2020	Changes in kEUR	in %
Sales revenues	1,413,975	1,295,739	118,236	9.1%
Inventory changes and other operating income	7,101	20,255	-13,154	-64.9%
Material expenses	-573,596	-547,557	-26,039	4.8%
Personnel expenses	-302,779	-298,328	-4,451	1.5%
Depreciations	-97,243	-131,026	33,783	-25.8%
Other operating income	-277,998	-270,835	-7,164	2.6%
Operating result	169,461	68,249	101,211	148.3%
Financial result (Interest and investment result)	5,005	5,787	-782	n/a
Special factors	123,054	-22,779	145,833	-640.2%
Taxes on earnings	-42,708	-30,882	-11,826	38.3%
Group result before minority interests and profit and loss transfer	254,812	20,375	234,437	1150.6%

Any comparison with the previous year is particularly characterized by the effects of the 2021 investments made in Ireland's audio business, as well as investments made in 2020 in the audio business areas (local radio stations in the UK) and OCP (Acierto).

Sales revenues increased by 9.1 percent versus the previous year. Sales increases were predominantly realized – in the audio area – by the takeover of radio stations in Ireland as of June 2021 as well as due to a significantly recovered advertising market.

Compared with sales, material expenses increased at a disproportionately low rate and is especially due to portfolio adjustments in previous years and decreased paper prices (in the first to third quarter of 2021).

Depreciations essentially comprise depreciations of capitalized goodwill (EUR 43 million; previous year: EUR 74 million) as well as disclosed hidden reserves in case of broadcasting, trademark and title rights (EUR 42 million; previous year: EUR 29 million). The reduction of depreciations essentially results from the lower scheduled depreciations on goodwill from capital consolidation due to the expiration of the applied economic lifetime.

Other operating expenses increased especially due to higher charges by the shareholder, especially due to investments in the project "IMAGINE" (transformational cross-border project for the improvement of editorial processes).

Thus, compared with the previous year, the operating result improved by EUR 101 million.

Special factors essentially comprise the final consolidation result from the sale of the US publishing business which increased the group result by EUR 113 million. In the previous year, the sale of the Australian and Russian publishing business negatively affected the group result with EUR 42,4 million while the sales of the Czech ProfiSMS group as well as of the Polish Interia group increased the group result by EUR 36.0 million (after taxes). Furthermore, foreign currency gains in the amount of EUR 1 million net are included (previous year: foreign currency losses of EUR 22.2 million net).

Based on the above presentation, the current development exceeded the forecast of sales revenues of the previous year, and they exceeded by far the forecast of the operating result.

2.4 Assets and financial situation

2.4.1 Assets situation

<i>Accounts shown in kEUR</i>	2021	2020	Changes in kEUR	in %
Medium and long-term tied up assets (Fixed assets)	465,527	458,007	7,520	1.6%
Short-term tied up assets (Current assets including prepaid expenses)	903,255	837,837	65,418	7.8%
Total assets	1,368,782	1,295,844	72,938	5.6%
Equity	981,790	905,587	76,203	8.4%
Medium and long-term debt capital (Pension provisions and medium-term liabilities)	22,266	14,705	7,561	51.4%
Short-term debt capital (Provisions and liabilities including deferred income)	364,726	375,552	-10,826	-2.9%
Total liabilities	1,368,782	1,295,844	72,938	5.6%

Total assets increased by 5.6 percent compared with the previous year.

The increase in medium and long-term tied up assets essentially results from the increase in intangible assets capitalized within the scope of initial consolidation of the local radio stations purchased in Ireland as of June 1, 2021. Scheduled depreciations had an opposite effect on fixed assets.

The increase in short-term tied up assets essentially results from the purchase price claimed – in other assets – from the sale of the US publishing business.

Equity capital increased by 8.4 percent versus the previous year. This is essentially attributed to a capital injection by the parent company in the amount of EUR 38.8 million as well as to the consolidated annual net profit.

The increase in medium and long-term debt capital essentially results from loan grants by the parent company HBVH vis-à-vis subsidiaries which are offset by redemptions of bank loans.

The decrease of short-term debt capital is especially due to lower tax provisions. Tax accruals created in the previous year – within the scope of sales of the Polish Interia group – were entirely used up in the business year.

2.4.2 Financial situation

The development of the financial situation is to be taken from the cash flow statement in a summary presentation:

<i>Accounts shown in kEUR</i>	2021	2020	Changes in kEUR
Financial resources at the beginning of the period	609.451	505.772	103.679
Inflow (+) / outflow (-) of funds from			
Operating activities	197.117	200.962	-3.845
Investment activities	-99.365	-41.512	-57.853
Financing activities	-35.197	-56.778	21.581
Additions arising from changes in the group of consolidated companies	7.506	1.008	6.498
Financial resources at the end of the period	679.511	609.452	70.059

The cash flow from investment activities is essentially characterized by the acquisition of the group of companies in Ireland. The cash flow from the financing activities is characterized, on one hand, by equity capital injections by the parent company in the amount of EUR 39 million (previous year: EUR 66 million); compensation of the profit transfer from the previous year had the opposite effect.

Financial means in the subgroup for investments are principally provided by Heinrich Bauer Verlag KG. This is to ensure that the group companies have adequate liquidity for investments.

2.5 Development of the number of employees

The number of employees of the companies included in the group financial statements amounted to 6,295 employees of the annual average (previous year: 6,564 employees). The decrease essentially results from the sale of the Australian business and of the Polish Interia group, as well as the discontinuation of the business operation in New Zealand.

2.6. Overall statement

In the past financial year, Bauer Media Group was able to increase not only sales but also the operating result. The sales increase was due – on one hand – to the purchases in the business areas Audio and OCP and – on the other hand – due to significantly higher sales in the audio business area. The significant increase of the consolidated result versus the previous year is furthermore attributable to sales profits from the sale of the U.S. publishing business.

3. Outlook report, opportunities and risk report

3.1 Outlook report

The International Monetary Fund (IMF) expects that the global economy will grow by 3.6 percent each in the current year and in 2023. Thus, the global economy would weaken in 2022 versus prior forecasts. Driving forces will continue to remain the U.S. and China in this respect; in both countries, growth expectations have been reduced. Thus, the U.S. economy is to grow in 2022 by 3.7 percent and in 2023 by 2.3 percent and would thus have even lower growth in 2023 than the global economy. For China, growth rates of 4.4 percent are expected for 2022 and of 5.1 percent for the following year since China's very restrictive policy of containing the coronavirus pandemic is currently still retarding economic growth. According to the IMF, the economic performance in the eurozone is to increase by 2.8 percent in 2022 and by 2.3 percent in 2023.

The outlook takes into account the insecurities resulting from the persistent negative effects of the coronavirus pandemic, of the war in Ukraine, as well as the progressing supply bottlenecks and price increases in the raw materials area. The increase in raw material prices and the increasing price pressure result in a further increase of the inflation forecasts for 2022 and are thus at 5.7 percent in the well-developed national economies according to the forecast by the IMF. It is expected that, in 2022 as well, political measures are used in the EU in order to mitigate the economic consequences due by the coronavirus pandemic, on the one hand, and those by the war in Ukraine, on the other hand.

Overall, the subgroup Heinrich Bauer Verlag Beteiligungs GmbH is planning, for the financial year 2022, a modest sales growth compared to the previous year. This growth will be driven especially by the business area audio while another sales decline is expected in the publishing business, predominantly by the sale of the U.S. business. However, in all probability, the sales increase will not result in a higher but rather a steady operating result adjusted by special factors. This is due to higher manufacturing costs due to increased prices for paper and energy, as well investments into the continuous improvement of our processes (e.g. group-wide introduction of the SAP S/4HANA, transformation program "IMAGINE" in the publishing business).

The management agenda for 2022 provides for the following focal points:

- In the publishing-area, we will further strengthen our market positions by way of an active portfolio management. In order to keep the business profitable for as long as possible, we are investing, on the sales side, in quality improvements of our products and new marketing approaches (not only to maintain our market shares but also gain additional market shares); and, on the cost side, we are investing in continuous improvements of our processes and systems.
- The focus in the audio business area is based on the integration of the newly acquired radio stations in Ireland and Portugal, as well as on the expansion of new revenue models (e.g. subscription models such as "Audio+", an app which allows listening to our radio stations and other special-interest radio stations without advertisements).
- The OCP business area continues to be focused on the use of synergies, especially in the areas of marketing, technology and data among the individual markets to thus realize competitive advantages in the individual countries.

- The SME business area will continue to establish the direct business with small and medium-sized enterprises.
- We will further improve our work in assessing and managing the increasing market and business risks, as well as in professionalizing our processes and systems. We will thus strive for operative excellency in the core functions of our publishing business.

In conclusion, we would like to point out that in case of future-oriented statements, any actual results might significantly deviate from our expectations regarding the anticipated development.

3.2 Opportunities and risk report

3.2.1 Opportunities

Below, the greatest opportunities for the 2022 financial year are listed in the order of their significance:

- Growth opportunities due to the continuous development and introduction of new digital products and services for our customers
- With the upswing of markets after the covid lockdowns, a swifter than expected recovery of the advertising markets, and in the OCP business, higher demand for travel insurances and consumer loans
- Use of synergies and efficiency gains through acquisitions
- Productivity improvements / automation of processes and procedural flows as a consequence of the coronavirus pandemic
- Innovative capabilities of our Group
- Decrease in manufacturing costs, especially paper and energy prices, depending on a timely and short-term solution of the conflict in Ukraine as well as settling the raw material markets after having overcome the supply bottlenecks
- At least partial compensation of increasing manufacturing costs due to price increases so as not to impair the quality of products due to financial challenges on the paper market

3.2.2 Risks

Below, the greatest risks for the 2022 financial year are listed in the order of their significance:

- Weak or no recovery of the global economy, affecting all of the Group's business areas and resulting in lower sales and subsequent risks, such as loss of receivables due to insolvencies
- Increasing manufacturing and logistics costs in the printing area, driven especially by increasing energy costs and paper prices, as well as the dependence on individual suppliers
- Risks disrupting the operative business process, such as cyber attacks, technology failures and natural disasters

- Increasing competition for spending on advertising by very large digital platforms whose growth accelerated due to covid-19
- The advertising market's dependence on the economy, and the possible loss of key customers in the advertising sector who will change to other, especially digital media
- Changes in legal, fiscal and regulatory framework conditions
- Transaction risks regarding the selection of investment objects and the allocation of investment funds, as well as lower synergies from acquisitions than expected
- Losses or problems regarding the extension of licenses or obtaining new licenses in the audio area.

In addition to its threat on the sovereignty of Ukraine and on the security in Europe and the world as a whole, the war in Ukraine already brought about, in the past few months, far-reaching negative consequences for the economic development and recovery after the coronavirus pandemic. Currently, this is especially reflected in a rapid increase in energy prices. Even general rates of inflation reach growth rates not seen for quite some years already. Uncertainties exist not only as to when and in which form a solution of the conflict can be reached but also as to how or to what extent the negative economic consequences will still expand until that point in time and even beyond that. The presented forecast as well as the opportunities and risks described are also subject to this uncertainty.

There are currently no indications of further special risks which might negatively influence the development of the company, its subsidiaries and holdings. Also, there are no developments threatening the continued existence of the company or other risks particularly affecting the assets, finances and earnings situation. In the future as well, the companies will be able to meet their payment obligations on time.

Hamburg, July 12, 2022
Heinrich Bauer Verlag Beteiligungs GmbH

Heinz H. Bauer

Yvonne Bauer

Michaela Gärtner

Dr. Gerald Mai

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

Independent Auditor's Report

To Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Opinions

We have audited the consolidated financial statements of Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2021 to 31 December 2021, and notes to the consolidated financial statements, including the recognition and valuation policies presented therein. In addition, we have audited the group management report of Heinrich Bauer Verlag Beteiligungs GmbH for the financial year from 1 January 2021 to 31 December 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January 2021 to 31 December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for

the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Responsibilities of Management for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express [audit] opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our [audit] opinions.

- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hamburg, 14 July 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Papenberg
Wirtschaftsprüfer
[German Public Auditor]

Hagenmüller
Wirtschaftsprüferin
[German Public Auditor]

(The English language text above is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.)