Registered number: 01394141

BAUER RADIO LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2022

BAUER RADIO LIMITED

Company Information

Directors	C Davies (appointed 13 December 2022) R Jackson (appointed 13 December 2022) S Myciunka (appointed 30 June 2023)
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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Strategic Report
For the Year Ended 31 December 2022

Introduction

The directors present their strategic report for the year ended 31 December 2022.

The Company is engaged in the operation of a wide range of Audio products including national and local radio stations under licence from Ofcom, and digital audio services offering a diverse range of listener choice as well.

In the UK, we reach over 20.8 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, 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, Portugal 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.

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 2022 Cash for Kids raised £20.4m, helping support 489,409 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 a substantial number of participants progressed to secure employment in the Bauer Media Group.

Results for the year

Profit for the financial year was £65,927,000 (2021: £78,395,000). This decrease was due to lower 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 £53,820,000 (2021: £50,681,000).

Dividends

The Company received dividends from its subsidiaries of £20,371,000 (2021: £35,200,000) and received dividends from other participating interests of £1,335,000 (2021: £1,262,000).

The Company did not pay any dividend (2021: £Nil) during the year.

Financial position

At 31 December 2022 the Company's net assets were £166,427,000 (2021: £100,500,000) and the net current assets were £94,953,000 (2021: £30,425,000).

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, inflationary pressures 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 £263,649,000 (2021: £238,762,000). Operating profit increased by £3,139,000 to £53,820,000 (2021: £50,681,000).

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

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 that 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 intranet site.

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 21 (2021: 23).

Environmental matters

The business is committed to promoting sustainable practices and works to identify, develop and adopt policies which protect the environment. This is under pinned by our Sustainability Commitment and Sustainability Pledges which are available on our website (bauermedia.co.uk). Good progress was made in 2022, we ran sustainability focused training for all employees to ensure high awareness across all teams. Our new London workplace is powered by 100% renewable electricity and features solar power, and all magazines are printed on paper that is sustainably sourced and is fully recyclable. We reduced the size of our vehicle fleet and continue to transition to hybrid and electric models. Where possible we partner with suppliers that have environmental accreditation beyond the minimum required.

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.

Environmental matters (continued)

Emissions Type	**Emissions 2022 (tonnes CO2)**	Emissions 2021 (tonnes CO2)
Scope 1 - direct emissions	**716**	568
Scope 2 - indirect emissions	**630**	727
Scope 3 - transport emissions	**61**	13
	1,407	1,308

Intensity ratio emissions (kgCO2e/m2) is 66 (2021: 54).

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 22nd September 2023 and signed on its behalf.

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R Jackson
Director

Directors' Report
For the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £65,927,000 (2021: £78,395,000).

No interim dividend was paid during the year (2021: £Nil) and the directors do not recommend the payment of a final dividend (2021: £Nil).

Directors

The directors who served during the year were:

P Keenan (resigned 13 December 2022)
D A Ford (resigned 30 June 2023)
S Vickery (resigned 13 December 2022)
C Davies (appointed 13 December 2022)
R Jackson (appointed 13 December 2022)

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.

Directors' Report (continued)
For the Year Ended 31 December 2022

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.

Post balance sheet events

There were no post balance sheet events.

This report was approved by the Board on 22nd September 2023 and signed on its behalf.

R Jackson
Director

Media House
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6EA

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements For the Year Ended 31 December 2022

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 2022 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 2022 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 a high-volume of 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.

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.

The potential effect of these laws and regulations on the financial statements varies considerably.

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, Gambling, Copyright, 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.

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.

George Awusu (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 22 September 2023

Profit and Loss Account
For the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	4	**263,649**	238,762
Cost of sales		**(64,716)**	(55,437)
Gross profit		**198,933**	183,325
Administrative expenses		**(146,775)**	(134,347)
Other operating income	5	**1,662**	1,703
Operating profit	6	**53,820**	50,681
Income from shares in group undertakings - dividends receivable		**20,371**	35,200
Income from other participating interests		**1,335**	1,262
Interest receivable and similar income	10	**589**	4
Interest payable and similar expenses	11	**-**	(234)
Profit before tax		**76,115**	86,913
Tax on profit	12	**(10,188)**	(8,518)
Profit for the financial year		**65,927**	78,395

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

The notes on pages 16 to 40 form part of these financial statements.

Balance Sheet
As at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	13		**37**		82
Tangible assets	14		**28,335**		27,465
Investments	15		**43,842**		43,843
			72,214		71,390
Current assets					
Debtors: amounts falling due after more than one year	16	**3,388**		3,774	
Debtors: amounts falling due within one year	16	**76,849**		72,641	
Current asset investments	17	**65,000**		-	
Cash and cash equivalents		**13,699**		9,271	
		158,936		85,686	
Creditors: amounts falling due within one year	18	**(63,983)**		(55,261)	
Net current assets			**94,953**		30,425
Total assets less current liabilities			**167,167**		101,815
Provisions for liabilities					
Other provisions	21		**(740)**		(1,315)
Net assets			**166,427**		100,500
Capital and reserves					
Called up share capital	22		**80,507**		80,507
Share premium account			**33,947**		33,947
Other reserves			**(225,758)**		(250,842)
Profit and loss account			**277,731**		236,888
			166,427		100,500

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 22nd September 2023.

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R Jackson
Director

The notes on pages 16 to 40 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2022

	Called up share capital	Share premium account	Special reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
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 1 January 2022	**80,507**	**33,947**	**(250,842)**	**236,888**	**100,500**
Profit for the year	-	-	-	65,927	65,927
Release of special reserve	-	-	25,084	(25,084)	-
At 31 December 2022	**80,507**	**33,947**	**(225,758)**	**277,731**	**166,427**

The notes on pages 16 to 40 form part of these financial statements.

The special reserve was created as a result of adopting the principles of merger accounting in recording the impact of the group reconstructions which took place on 31 December 2019 and 30 September 2021. This special reserve is non-distributable and is being amortised over the lifetime of the assets to which it relates.

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.

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:

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 2022 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.

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.

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.

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.

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 decreased.

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 are 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.

2. Accounting policies (continued)

2.18 Cash and cash equivalents

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 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.

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 arising from each investment.

(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.

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*

	2022 £000	2021 £000
Government grants	**339**	684
Royalty receivable	**1,323**	1,019
	1,662	1,703

Government grants include grants from the Skills Funding Agency for the provision of vocational training, grants from the Kickstart scheme and R&D tax credits. 2021 included amounts related to the Coronavirus Job Retention Scheme.

6. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Amortisation of intangible assets, including goodwill	**45**	59
Depreciation of tangible fixed assets	**1,771**	1,681
(Profit)/loss on disposal of tangible fixed assets	**62**	(3)
Impairment of investments	**-**	1,617
Other operating lease rentals	**22,024**	19,737
Defined contribution pension cost	**955**	876

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

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2022 £000	2021 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	**353**	360

The audit fee represents fees payable in respect of the audit of Bauer Radio Limited and its subsidiaries. There were no non-audit fees paid to the Company's auditor.

8. Employees

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	**30,243**	27,534
Social security costs	**3,573**	3,227
Cost of defined contribution scheme	**955**	876
	34,771	31,637

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

	2022 No.	2021 No.
Administrative	**53**	50
Programming	**309**	261
Sales	**322**	257
	684	568

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	**739**	1,130
	739	1,130

The highest paid director received remuneration of £164,000 (2021: £600,000).

Some of the remuneration 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

	2022 £000	2021 £000
Interest receivable from group companies	**15**	3
Other interest receivable	**574**	1
	589	4

11. Interest payable and similar expenses

	2022 £000	2021 £000
Loans from group undertakings	**-**	226
Other interest payable	**-**	8
	-	234

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profit for the year	**9,804**	9,706
Adjustments in respect of previous periods	**(239)**	118
Total current tax	**9,565**	9,824
Deferred tax		
Origination and reversal of timing differences	**611**	(843)
Adjustments in respect of previous periods	**12**	(82)
Changes to tax rates	**-**	(381)
Total deferred tax	**623**	(1,306)
Taxation on profit on ordinary activities	**10,188**	8,518

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	**76,115**	86,413
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	**14,462**	16,513
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**-**	308
Expenses not deductible for tax purposes	**117**	42
Capital allowances for year in excess of depreciation	**(19)**	(191)
Adjustments to tax charge in respect of prior periods	**(227)**	36
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**23**	-
Dividends received	**(4,124)**	(6,928)
Unrelieved trade losses transferred in	**-**	(4,783)
Movement in deferred tax not recognised	**(251)**	6,067
Deferred tax impact of change in tax rate	**207**	(2,176)
Group relief claimed for nil payment	**-**	(370)
Total tax charge for the year	**10,188**	8,518

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. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

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 2022 have been measured at a rate of 25%.

13. Intangible assets

	Goodwill £000
Cost	
At 1 January 2022	**26,534**
At 31 December 2022	**26,534**
Amortisation	
At 1 January 2022	**26,452**
Charge for the year on owned assets	**45**
At 31 December 2022	**26,497**
Net book value	
At 31 December 2022	**37**
At 31 December 2021	82

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 2022	**25,994**	**1,950**	**139**	**544**	**14,352**	**42,979**
Additions	**-**	**-**	**448**	**-**	**2,255**	**2,703**
Disposals	**-**	**-**	**-**	**(20)**	**(577)**	**(597)**
At 31 December 2022	**25,994**	**1,950**	**587**	**524**	**16,030**	**45,085**
Depreciation						
At 1 January 2022	**2,449**	**1,355**	**139**	**524**	**11,047**	**15,514**
Charge for the year on owned assets	**378**	**54**	**4**	**19**	**1,316**	**1,771**
Disposals	**-**	**-**	**-**	**(20)**	**(515)**	**(535)**
At 31 December 2022	**2,827**	**1,409**	**143**	**523**	**11,848**	**16,750**
Net book value						
At 31 December 2022	**23,167**	**541**	**444**	**1**	**4,182**	**28,335**
At 31 December 2021	23,545	595	-	20	3,305	27,465

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 2022	**140,456**	**246**	**300**	**141,002**
Disposals	**(15,000)**	**-**	**-**	**(15,000)**
At 31 December 2022	**125,456**	**246**	**300**	**126,002**
Impairment				
At 1 January 2022	**96,859**	**-**	**300**	**97,159**
Impairment on disposals	**(14,999)**	**-**	**-**	**(14,999)**
At 31 December 2022	**81,860**	**-**	**300**	**82,160**
Net book value				
At 31 December 2022	**43,596**	**246**	**-**	**43,842**
At 31 December 2021	43,597	246	-	43,843

Included in the closing balances of both cost and accumulated impairment is £80,289,000 relating to dormant companies to be wound up in due course.

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.

15. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
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
Piccadilly Radio Limited *	Ordinary	100 %	Dormant, dissolved 2 May 2023
Radio City (Sound of Merseyside) Limited *	Ordinary	100 %	Dormant, dissolved 1 November 2022
Downtown Radio Limited	Ordinary	100 %	Radio broadcasting
CRB Audio Group Limited *	Ordinary	100 %	Dormant, dissolved 17 January 2023
Lincs FM Group Limited *	Ordinary	100 %	Dormant, dissolved 17 January 2023
UKRD Group Limited *	Ordinary	100 %	Dormant, dissolved 24 January 2023
Radio Forth Limited	Ordinary	100 %	Dormant, dissolved 16 August 2022

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Bauer Media Oy **	Ordinary	100 %	Radio broadcasting
Kaimax Media Oy **	Ordinary	100 %	Radio broadcasting
3N Radiot Oy **	Ordinary	100 %	Radio broadcasting
Mediatakojat Oy	Ordinary	100 %	Radio broadcasting
Miracle Sound Oy **	Ordinary	51 %	Radio broadcasting
Miracle Sound Oulu Oy	Ordinary	51 %	Radio broadcasting
Kuunappi Radioliiketoiminita Oy **	Ordinary	100 %	Radio broadcasting
Oy.Basso Media Ltd ***	Ordinary	100 %	Radio broadcasting
TuotantOyhtiö Manuskript Oy***	Ordinary	100 %	Radio broadcasting
Switchdigital (B&H) Limited *	Ordinary	100 %	Dormant, dissolved 27 December 2022
Switchdigital (S&S) Limited *	Ordinary	100 %	Dormant, dissolved 27 December 2022
Anglian Broadcasting Company (Holdings)Limited *	Ordinary	100 %	Dormant, dissolved 27 September 2022
Anglian Radio Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
CRB Audio Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Compass Radio Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Dearne FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Planet Broadcasting Company Limited	Ordinary	100 %	Dormant, dissolved 16 August 2022
Ridings FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Rother FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022

15. Fixed asset investments (continued)

Rutland Radio Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Trax FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Muxco Lincolnshire Limited	Ordinary	51 %	Digital Radio Services
UKRD Support and Development Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
UKRD Group (EBT) Limited *	Ordinary	100 %	Dormant, dissolved 27 September 2022
Pirate FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Eagle Radio Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
KLFM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Minster Sound Radio (York) Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Mix 96 Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Spire FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Spirit FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Stray FM Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Wessex Broadcasting Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Yorkshire Coast Radio Limited *	Ordinary	100 %	Dormant, dissolved 16 August 2022
Encore Radio Limited *	Ordinary	100 %	Dormant, dissolved 23 August 2022
First Radio Sales Limited *	Ordinary	100 %	Dormant, dissolved 1 November 2022

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	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
Mediatakojat 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
Radio Forth Limited	Clydebank Business Park, Clydebank, G81 2RX

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.

15. Fixed asset investments (continued)

Associates

Name	Registered office	Class of shares	Holding	Principal activity
Independent Radio News Limited	The Harley Building, 77 New Cavendish Street, London, W1W 6XB	Ordinary	22%	Radio broadcasting
Sound Digital Limited	Media House, Peterborough Business Park, Lynch wood,Peterborough, PE2 6EA	Ordinary	30%	Digital Radio Services
Radiocentre Limited	Gosforth Park Avenue, Newcastle Upon Tyne, England, NE12 8EG	Ordinary	33%	Radio broadcasting
Norsk Radio As*	Akersgata 73, 0180 Oslo, Norway	Ordinary	33%	Radio broadcasting
Muxco Suffolk Limited *	Greenworks Dog And DuckYard, 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.

16. Debtors: Amounts falling due within one year

	2022 £000	2021 £000
Due after more than one year		
Other debtors	**3,388**	3,774

	2022 £000	2021 £000
Due within one year		
Trade debtors	**38,930**	43,530
Amounts owed by group undertakings	**1,129**	1,384
Other debtors	**15,084**	7,030
Prepayments and accrued income	**19,900**	18,268
Deferred taxation	**1,806**	2,429
	76,849	72,641

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

17. Current asset investments

	2022 £000	2021 £000
Short term deposits	**65,000**	-
	65,000	-

Current asset investments comprise 4-month term deposits of £65,000,000 (2021: £Nil).

18. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	**502**	861
Amounts owed to group undertakings	**28,884**	18,378
Other taxation and social security	**11,777**	12,670
Other creditors	**14,562**	16,273
Accruals and deferred income	**8,258**	7,079
	63,983	55,261

Amounts due to other group undertakings are unsecured, interest free and repayable on demand.

19. Financial instruments

	2022 £000	2021 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**122,371**	58,224
Financial liabilities		
Financial liabilities measured at amortised cost	**(51,548)**	42,024

Financial assets that are basic debt instruments measured at amortised cost include cash at bank and in hand, bank deposits, 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 £7,600,000 (2021: £6,512,000) and trade creditors, intra group balances and other creditors shown in note 18.

20. Deferred taxation debtor

	2022 £000	2021 £000
At beginning of year	**2,429**	1,123
Charged to profit or loss	**(623)**	1,306
At end of year	**1,806**	2,429

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	**385**	802
Tax losses carried forward	**1,215**	1,256
Short term timing differences	**206**	371
	1,806	2,429

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 £25,500,000 (2021: £26,500,000) available for relief in a future period.

21. Provisions

	Property provision £000
At 1 January 2022	**1,315**
Charged to profit or loss	**(90)**
Utilised in year	**(485)**
At 31 December 2022	**740**

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.

22. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
805,065,938 (2021: 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.

23. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Land and buildings		
Not later than 1 year	**2,648**	970
Later than 1 year and not later than 5 years	**10,269**	2,011
Later than 5 years	**20,620**	4,901
	33,537	7,882

	2022 £000	2021 £000
Other		
Not later than 1 year	**17,435**	19,919
Later than 1 year and not later than 5 years	**36,159**	45,303
Later than 5 years	**2,727**	8,881
	56,321	74,103

24. Related party transactions

At 31 December 2022 the Company was owed by CE Digital Limited, a joint venture, £171,000 (2021: £172,000). During the year the Company received a dividend of £850,000 (2021: £750,000) from this company. The Company paid CE Digital Limited carriage costs of £1,640,000 (2021: £1,549,000) and received management charges of £260,000 (2021: £245,000).

At 31 December 2022 the Company was owed by Octave IP Limited, a joint venture, £211,782 (2021: £200,000).

During the year the Company received a rebate of £1,878,000 (2021: £1,974,000) and licencing revenue of £22,000 (2021: £24,000) from its associate undertakings. The Company paid carriage costs to its associate undertakings of £1,574,000 (2021: £1,516,000). At the year end £819,000 (2021: £1,201,000) 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 2022 Cash for Kids owed the Company £170,000 (2021: £167,000) showing as part of the Company's Trade debtors.

25. Post balance sheet events

There are no post balance sheet events.

26. 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
01394141

HEINRICH BAUER VERLAG BETEILIGUNGS GMBH

HAMBURG

DISCLOSURE COPY

OF THE GROUP ACCOUNTS AS AT 31 DECEMBER 2022 AND

THE GROUP MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2022

* * *

(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.)

* * *

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Group balance sheet as at 31 December 2022

Assets

	31.12.2022		31.12.2021	
	EUR	EUR	EUR	EUR
A. Non-current assets				
I. Intangible assets				
1. Concessions, industrial property rights and similar rights and values	362.136.445		327.930.659	
2. Goodwill	36.251.688		46.881.529	
3. Payments in advance	249.092	398.637.224	214.088	375.026.276
II. Property, plant and equipment				
1. Land, land rights and buildings including buildings on third-party land	34.844.171		37.304.389	
2. Technical equipment and machinery	10.643.637		8.743.474	
3. Other plant, operating and office equipment	12.992.133		17.622.454	
4. Payments in advance and assets under constructioı	782.237	59.262.178	1.153.217	64.823.534
III. Financial assets				
1. Shares in affiliated companies	9.643.001		19.520.011	
2. Shares in investments	424.602		448.569	
3. Long-term securities	620.254		721.901	
4. Other loans	3.934.627	14.622.484	4.363.987	25.054.468
		472.521.886		**464.904.278**
B. Current assets				
I. Inventories				
1. Raw materials	10.175.767		8.178.641	
2. Unfinshed goods and services	1.783.561		1.520.200	
3. Finished products and goods	59.466		36.573	
4. Payments in advance	384.236	12.403.029	1.097.315	10.832.730
II. Receivables and other assets				
1. Trade receivables	235.951.310		244.516.876	
2. Receivables from affiliated companies	646.092.519		165.924.477	
3. Receivables from other long-term investors and investees	3.234.139		3.180.496	
4. Other assets	48.252.356	933.530.324	150.509.907	564.131.756
III. Cash and credit balances at banks		297.802.843		299.638.170
		1.243.736.196		**874.602.656**
C. Prepaid expenses and deferred charges		**24.499.392**		**29.274.890**
		1.740.757.474		**1.368.781.825**

Liabilities

	31.12.2022	31.12.2021
	EUR	EUR
A. Equity		
I. **Subscribed capital**	2.607.589	2.607.589
II. **Capital reserve**	1.835.969.217	1.719.699.587
III. **Adjustment item for minority interests**	5.384.803	3.832.870
IV. **Equity difference from currency conversion**	20.866.104	37.429.998
V. **Group net earnings**	-522.021.568	-781.779.977
	1.342.806.144	**981.790.066**
B. Provisions		
1. Provisions for pensions and similar obligations	1.992.608	1.761.919
2. Tax provisions	13.740.028	9.418.706
3. Other provisions	129.509.823	129.741.401
	145.242.458	**140.922.027**
C. Liabilities		
1. Liabilities to banks	4.005.646	11.877.970
2. Advance payments received	2.103.322	2.517.076
3. Trade liabilities	110.368.264	115.233.695
4. Liabilities to affiliated companies	32.678.713	24.233.774
5. Liabilities to associated companies	79.127	43.432
6. Other liabilities	43.658.038	50.482.638
– thereof taxes EUR 14.428.586 (previous year: EUR 17.316.246) –		
– thereof social securitiy obligations EUR 5.274.542 (previous year: EUR 5.485.139) –		
	192.893.110	**204.388.584**
D. Deferred income	**23.718.000**	**23.332.189**
E. Deferred tax liabilities	**36.097.762**	**18.348.960**
	1.740.757.474	**1.368.781.825**

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Group income statement for the financial year from 1.1.2022 to 31.12.2022

	2022		2021	
	EUR	EUR	EUR	EUR
1. Sales revenues		1.411.936.720		1.413.974.884
2. Increase in the stock of finished and unfinished products		326.600		302.081
3. Other operating income – thereof from currency conversion EUR 10.024.556 (previous year: EUR 9.535.275) –		26.756.220		138.829.964
4. Material expenses				
a) Expenses for raw materials and supplies and goods bought for sale	-246.174.720		-244.643.532	
b) Expenses for purchased services	-330.417.679	-576.592.398	-328.952.180	-573.595.712
5. Personnel expenses				
a) Wages and salaries	-262.693.825		-254.100.188	
b) Social security payments and expenses for retirement pensions and benefits – thereof for retirement pensions EUR 10.452.647 (previous year: EUR 9.658.984) –	-52.118.368	-314.812.193	-48.679.050	-302.779.238
6. Depreciations on intangible and tangible assets		-79.928.815		-97.242.603
7. Other operating expenses – thereof from currency conversion EUR 8.671.067 (previous year: EUR 8.556.907) –		-307.251.302		-281.348.921
8. Income from investments – thereof from affiliated companies EUR 607.715 (previous year; EUR 2.630.681) –		2.677.736		4.627.631
9. Income from other securities and loans held as financial assets		46.864		173.745
10. Other interests and similar revenues – thereof from affiliated companies EUR 507.977 (previous year: EUR 458.553) –		4.009.410		1.152.646
11. Depreciations on financial assets		-865.627		-296.894
12. Interest and similar expenses – thereof to affiliated companies EUR 610.169 (previous year: EUR 119.365) –		-2.286.132		-652.050
13. Taxes on income – thereof deferred tax income EUR 2.886.105 (previous year EUR 9.632.622) –		-44.607.122		-42.708.237
14. Income after taxes		**119.409.963**		**260.437.296**
15. Other taxes		-6.762.067		-5.625.524
16. Losses transferred under profit and loss transfer agreements		152.574.244		0
17. Profits transferred under profit transfer agreements		0		-208.080.949
18. Consolidated annual profit		265.222.140		46.730.823
19. Minority interests		-2.161.244		-1.792.579
20. Group share in consolidated net profit		**263.060.896**		**44.938.244**

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Group cash flow statement for the financial year from 1.1.2022 to 31.12.2022

	2022	2021
	TEUR	TEUR
Consolidated net profit including profit / loss attributable to minority interests	265.222	46.731
Depreciations (+) / appreciations (-) on non-current assets	80.794	91.799
Increase (+) / decrease (-) in provisions for pensions and similar obligations and other provisions	-2.523	-4.322
Other non-cash items from consolidation (-/+)	-3.621	-19.530
Increase (-) / decrease (+) in inventories, trade receivables and other assets not attributable to investment or financing activities	-361.264	-26.365
Increase (+) / decrease (-) in trade liabilities and other liabilities not attributable to investment or financing activities	195.900	243.444
Profit (-) / loss (+) from the sale of non-current assets	2.282	251
Expenses/income of exceptional magnitude	0	-113.090
Interest expenses (+) / interest income (-)	-1.723	-501
Other investment income including income from other securities held as financial assets (-)	-2.725	-4.801
Income tax expense (+) / benefit (-)	44.607	42.708
Income tax refunds (+) / payments (-)	-53.802	-67.734
Cash flow from operating activities (transfer):	**163.148**	**188.590**

	2022	2021
	TEUR	TEUR
Cash flow from operating activities (transfer):	**163.148**	**188.590**
Receipts from disposal of intangible assets (+)	1.093	439
Disbursements for investments in intangible assets (-)	-5.622	-128.840
Receipts from disposal of property, plant & equipment (+)	759	3.590
Disbursements for investments in property, plant & equipment (-)	-11.345	-12.178
Receipts from disposal of financial assets (+)	1.287	26.590
Disbursements for investments in financial assets (-)	-3.508	-4.954
Receipts from disposal of the consolidated group (-)	117.038	0
Disbursements for additions to the consolidated group (-).	-71.696	-7.506
Net change in the consolidated group in the non-current assets (-/+)	10.543	17.540
Interests received (+)	4.009	1.153
Dividends received (+)	2.725	4.801
Cash flow from investment activities	**45.284**	**-99.365**
Receipts from equity inflows from shareholders of the parent company (+)	116.270	135.875
Disbursements for equity withdrawals to shareholders of the parent company (-)	0	-97.050
Disbursements for equity reductions to other shareholders (-)	-1.887	-3.202
Proceeds from taking up of financial loans (+)	4.700	15.673
Disbursement for the repayment of financial loans (-)	-8.107	-21.923
Interests paid (-)	-2.286	-652
Dividends paid to shareholders of the parent company (payments of the claim from the profit and loss transfer agreement prior year) (-)	-208.081	-63.918
Cash flow from financing activities	**-99.391**	**-35.197**
Payment-relevant changes in cash and cash equivalents	109.040	54.029
Exchange rate and valuation related changes in cash and cash equivalents	-8.049	8.526
Consolidated group-related changes in cash and cash equivalents	2.213	7.506
Cash and cash equivalents at the start of the period	679.511	609.451
Cash and cash equivalents at the end of the period	**782.716**	**679.511**

	2022	2021
	TEUR	TEUR
Composition of cash and cash equivalents:		
Cash in hand and credit balances at banks	297.803	299.638
Cash pooling receivable from Heinrich Bauer Verlag KG	484.913	379.873
	782.716	**679.511**

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Analysis of group equity for the financial year 2022

	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
31.12.2020	**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**
Increase of capital reserve		116.269			116.269		116.269
Consolidated net profit			263.061		263.061	2.161	265.222
Other consolidated earnings			-3.302	-16.564	-19.866	-609	-20.475
31.12.2022	**2.608**	**1.835.969**	**-522.021**	**20.866**	**1.337.421**	**5.385**	**1.342.806**

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Notes to Group Financial Statements for the Financial Year 2022

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, 2022 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, 2022.

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 for an affiliated company.

In the case of associated companies of minor significance, the equity valuation is waived 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
HBVB Audio Portugal Holdings S.A.	Barcarena
BMHAudio Portugal Holdings Unipessoal LDA & Comandita	Lisbon
BMHAudio Portugal Holdings Unipessoal LDA	Lisbon

The Portuguese companies were consolidated for the first time in June 2022. At the end of the year under review, HBVB Audio Portugal Holdings S.A. was merged to Bauer Media Audio Holding GmbH.

In the 2022 financial year, the items in the group financial statements changed as follows due to the first-time consolidations of three companies in Europe (figures before disclosure of hidden reserves and goodwill, at the first consolidation time or, respectively, for the income statement data as of June):

	kEUR
ASSETS	
Fixed assets	16,570
Current assets	9,106
LIABILITIES	
Provisions	2,953
Liabilities	5,557
INCOME STATEMENT	
Sales revenues	12,993
Material expenditures	2,195
Personnel expenditures	3,243
FLOW OF FUNDS STATEMENT	
Cashflow from current business activities	19,124
Cashflow from investment activities	-21,338
Cashflow from financial activities	0
Increase in liquid funds	2,213

In addition, first consolidations resulted in the capitalization of radio licenses and trademark rights, the residual book value of which is kEUR 75,103 for the balance sheet date. Furthermore, capitalization of goodwill resulted, with the residual book value being kEUR 5,659 for the balance sheet date.

Due to sale, liquidation, merger or immateriality, the following companies were removed from the scope of consolidation during the course of the 2022 financial year:

Company	Registered office	Reason
PL Invest Beteiligungs GmbH	Hamburg	Merger as of 01/01/2022
Société d'Edition et de Télévision par Câble SNC	Paris	Accretion as of 02/07/2022
Clabere Negocios S.L.U.	Barcelona	Merger as of 01/04/2022
CRB Audio Group Limited	Peterborough	Due to immateriality
AIDA S.A.	Krakow	Merger as of 01/12/2022
Lincs FM Group Limited	Peterborough	Due to immateriality
UKRD Group Limited	Peterborough	Due to immateriality
HBVB Audio Portugal Holdings S.A.	Lissabon	Merger as of 27/12/2022

Deconsolidations of the listed subsidiaries have 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 prior 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 are 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 valuated at production costs based on individual calculations, whereby, in addition to directly attributable individual material costs and production wages, manufacturing and material overhead are also considered. All cases are valuated 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 carry forwards 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 valuated 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 are converted into euros at the respective mean spot exchange rate of the balance sheet date – except for equity which is converted at historical rates. The differences from the conversion of equity resulting from the change in exchange rates versus the previous year are entered, without any effect on income, into the equity difference from currency conversion.

Expenditures and revenues are converted at the average rate. The annual result of the converted income statement is adopted in the balance sheet and the difference is 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 are 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, radio licenses and trademark rights in the amount of kEUR 79,345 are capitalized essentially from first consolidation; these are depreciated as scheduled over a period of use of 12 years or 4 years, respectively.

The goodwill items are active amounts of differences from capital consolidations according to Art. 301 Para. 3 HGB as goodwill which developed as follows:

	kEUR
January 1, 2022	34,486
Difference from additions, disposals (including currency rate differences)	10,628
Depreciations (including currency rate differences)	-18,950
December 31, 2022	**26,164**

Initial consolidations in 2022 resulted overall, as goodwill, in a capitalized difference in the amount of kEUR 6.625 (prior year: kEUR 29.345). Furthermore, an addition of kEUR of 4,199 resulted due to a subsequent purchase price adjustment.

Goodwill shown in excess thereof 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 2,118 (prior year: kEUR 74).

Receivables from affiliated companies have a remaining term of more than one year for an amount of kEUR 2,499 (prior year: kEUR 27). Receivables against affiliated companies essentially result in receivables from loss carry forward amounting from the profit transfer agreement in the amount of kEUR 152,574 (prior year: liability from profit transfer kEUR 208,081), as well as receivables from cash pooling of kEUR 484,913 (prior year: kEUR 379,873, previous year's amount less trade accounts payable in the amount of kEUR 5.868).

Receivables from affiliated companies include receivables from the sole shareholder of Heinrich Bauer Verlag KG, Hamburg, in the amount of kEUR 643,514 (prior year: kEUR 157,683).

Other assets include kEUR 231 (prior year: kEUR 72) with a remaining term of more than one year, which are based on security 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 carry forwards. 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 carry forwards were generally only considered when calculating deferred tax assets to the extent that the tax relief from the loss carry forward 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 % as in the prior year.

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 25.0 % (prior year between 12.5 % and 26.5 %).

Overall, the consolidation measures resulted in deferred tax liabilities which summed up with deferred tax assets from temporary differences and tax loss carry forwards 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, 2022	37.969	-56.318	-18.349
Development	-8.066	-9.683	-17.749
As of December 31, 2022	**29.903**	**-66.001**	**-36.098**

Subscribed capital

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

Group's accumulated losses

As of December 31, 2022, the Group's accumulated losses amount to k-EUR 522,022 (prior year: k-EUR 781,780).

Other provisions

Essentially, other provisions relate to remission obligations, advertising rebates, obligations in the area of personnel, from legal disputes, as well as incoming invoices outstanding.

Liabilities

The remaining terms of liabilities are presented as follows:

		Remaining term		
	Total	up to 1 year	1 to 5 years	> 5 years
Due to banks	**4.006**	3.991	15	0
previous year	***11.878***	*7.898*	*3.980*	*0*
Advance payments received	**2.103**	1.779	324	0
previous year	***2.517***	*1.621*	*896*	*0*
Trade accounts payable	**110.368**	110.365	3	0
previous year	***115.234***	*115.234*	*0*	*0*
Amounts owed to affiliated companies	**32.679**	12.257	20.422	0
previous year	***24.233***	*9.054*	*15.179*	*0*
Amounts owed to associated companies	**79**	79	0	0
previous year	***43***	*43*	*0*	*0*
Other liabilities	**43.658**	43.031	209	418
previous year	***50.483***	*50.483*	*0*	*0*
	192.893	171.502	20.973	418
	204.388	*184.333*	*20.055*	*0*

Liabilities versus credit institutions are secured in their full amount by a guarantee provided by the shareholder Heinrich Bauer Verlag KG.

Liabilities towards affiliated companies include liabilities toward the sole shareholder Heinrich Bauer Verlag KG, Hamburg, in the amount of kEUR 20,931 (prior year: 17,042).

Liabilities towards affiliated companies include, in particular, liabilities from trade accounts receivable or payable in the amount of kEUR 11,101 (prior year: kEUR 7,192). Moreover, loan liabilities versus Group companies are essentially included in the amount of kEUR 20,422 (prior year: kEUR 17,041); they have a remaining term of more than one to three years (prior year: one to three) and bear interest rates of between 0.96% to 7.73% (prior year: 0.96% to 2.59%).

6. Contingent liabilities and other financial obligations

Contingent liabilities

As of the balance sheet date, there were contingent liabilities from guarantees in the amount of kEUR 613 (prior year: kEUR 2,197).

Any utilization on the basis of the companies' assets, financial and earnings situation will not be expected.

Heinrich Bauer Verlag Beteiligungs GmbH is the individually liable shareholder of Bauer Media v.o.s, Prague/Czech Republic.

Other financial obligations

As of the balance sheet date, rental and leasing obligations amounted in a total of kEUR 150,940 (prior year: kEUR 179,426) – thereof kEUR 0 (prior year kEUR 0) versus non-consolidated affiliated companies. Furthermore, financial obligations exist due to printing contracts to the extent customary in the industry.

Bauer Media AS from Norway has other financial obligations of converted kEUR 36,048 (379 million NOK, thereof 39 million NOK in 2023) from a contract for digital propagation of audio signals (DAB) with a term until 2031.

7. Notes on the income statement

The breakdown of sales after sales deductions is shown below:

	2022 kEUR	2021 kEUR
Breakdown by areas		
Distribution	469.870	537.814
Radio	675.251	598.340
Advertising	57.550	69.274
Digital	157.850	167.083
Printing	27.441	19.474
Other revenues from publishing business	23.975	21.989
	1.411.937	1.413.975
Breakdown by regions		
Germany	14.034	14.447
Europe	1.379.785	1.311.372
North America	10.838	80.233
Asia / Pacific	7.280	7.923
	1.411.937	1.413.975

Income of exceptional magnitude
There was no income of exceptional magnitude in the financial year. The previous year value in the other operating income essentially resulted from the sale of the American Publishing Group (kEUR 113,090).

Non-periodic income and expenses
The other operating income includes income from the dissolution of accruals in the amount of kEUR 5,177 (prior year: kEUR 1.871) as well as income from the earnings from the retirement of property and intangible assets of kEUR 1,071 (prior year: kEUR 162).
Other operating expenses include expenses from the retirement of property of kEUR 2,762 (prior year: kEUR 358).

Unscheduled write-downs
In intangible fixed assets, unscheduled write-downs in the amount of kEUR 2,259 (prior year: kEUR 1,956) were made which are essentially traced back to lower profitability of intangible assets in the publishing-area (prior year: in the OCP area as well as the publishing area).

Expenditures of exceptional magnitude
In the year under review as well as in the prior year, there had been no expenditures of any exceptional magnitude.

8. Notes on the cash flow statement
The cash flow statement was prepared in accordance with DRS 21. The financial resources fond is combined of short-term available bank deposits, cash and checks, as well as cash pool receivables versus Heinrich Bauer Verlag KG.

9. Other information

Fee for the annual auditor

The KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg is the company's annual auditor. The fee for the auditor of the consolidated financial statements recognized as an expense in the financial year 2022 amounts to kEUR 106 (prior year: kEUR 105). No other certification services, tax advisory services or other services were provided.

Employees

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

	2022	2021
female	5	3
male	13	9
Germany	18	12
female	3.260	3.222
male	3.063	2.954
Europe	6.323	6.176
female	0	78
male	0	29
North America	0	107
female	3.265	3.303
male	3.076	2.992
Total	6.341	6.295

Composition and remunerations 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
Dr. jur. Gerald Werner Kurt Mai, Hamburg, Managing Director
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.

Exemption of subsidiaries according to Art. 264 Paragraph 3 HGB

The following indicated subsidiaries use the exemption regulations pursuant to Art. 264 Paragraph 3 HGB:

Bauer Media Audio Holding GmbH, Hamburg

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 – for the largest and at the same time smallest circle of companies – the group financial statements according to the provisions of the German Disclosure Act. These are published and transmitted electronically to the office management for placement in the company register.

Supplementary report
With official approval as of February 16, 2023, the group acquired company Siteridge Limited, Cork, Ireland. The Bauer Media Group thus further expands the radio market in Ireland and thus extends its reach. Siteridge Limited now operates as RedFM and operates the RedFM radio channel as well as the Cork RedFM mobile app and combines its contents. This is a local (Cork-centered) commercial radio broadcaster which is licensed by the Broadcasting Authority of Ireland ("BAI") and broadcasts according to this license within the entire city and the Cork district. This acquisition is part of Bauer Media Audio's strategy on its way to becoming a global audio pioneer offering innovative listening and advertising services.
We expect no noteworthy effects on the Group's assets, financial and earnings situation.

Hamburg, September 04, 2023

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 2022

		Purchase and production costs						
		1.1.2022	Differences in exchange rates	Additions	Transfers	Changes in the consolidation scope	Disposals	31.12.2022
		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	1.352.938.650	-11.462.195	80.666.360	5.212.333	3.792.972	-1.197.175	1.429.950.945
2.	Goodwill	507.402.908	-452.356	10.830.135	-5.294.519	1.674.587	0	514.160.756
3.	Payments in advance	214.088	-2.283	95.741	-39.242	0	-19.212	249.092
		1.860.555.647	**-11.916.834**	**91.592.236**	**-121.429**	**5.467.559**	**-1.216.387**	**1.944.360.793**
II.	**Property, plant and equipment**							
1.	Land, land rights and buildings including buildings on third-party land	70.024.850	-2.212.957	587.278	13.496	80.860	-663.409	67.830.118
2.	Technical equipment and machinery	79.743.887	-1.817.863	5.534.752	-740.379	763.235	-1.441.225	82.042.408
3.	Other plant, operating and office equipment	72.172.178	-3.323.759	4.666.860	1.013.158	122.511	-15.656.616	58.994.332
4.	Payments in advance and plants under construction	1.153.217	-10.509	555.736	-166.767	12.008	-761.448	782.237
		223.094.132	**-7.365.087**	**11.344.626**	**119.507**	**978.613**	**-18.522.697**	**209.649.095**
III.	**Financial assets**							
1.	Shares in affiliated companies	100.359.936	-626.535	2.806.892	0	79.643.659	-74.746.823	107.437.128
2.	Shares in investments	502.095	-26.327	0	-514	0	0	475.254
3.	Long-term securities	1.905.731	-1.384	21.258	0	-534.940	-83.191	1.307.474
4.	Other loans	6.681.506	-216.827	680.313	0	534.940	-592.299	7.087.633
		109.449.268	**-871.074**	**3.508.463**	**-514**	**79.643.659**	**-75.422.314**	**116.307.490**
		2.193.099.047	**-20.152.994**	**106.445.326**	**-2.435**	**86.089.831**	**-95.161.398**	**2.270.317.378**

Accumulated depreciations							Net book value	
1.1.2022	Differences in exchange rates	Additions	Transfers	Changes in the consolidation scope	Disposals	31.12.2022	31.12.2022	31.12.2021
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1.025.007.991	-7.521.397	46.163.509	4.174.581	1.183.989	-1.194.173	1.067.814.500	362.136.445	327.930.659
460.521.380	-265.453	21.887.086	-4.233.949	6	0	477.909.069	36.251.687	46.881.528
0	0	0	0	0	0	0	249.092	214.088
1.485.529.371	**-7.786.850**	**68.050.595**	**-59.368**	**1.183.995**	**-1.194.173**	**1.545.723.569**	**398.637.224**	**375.026.276**
32.720.461	-718.413	1.654.464	-7.301	0	-663.264	32.985.947	34.844.171	37.304.389
71.000.413	-1.535.437	3.688.643	-437.475	0	-1.317.373	71.398.770	10.643.637	8.743.474
54.549.724	-2.563.693	6.535.113	502.223	0	-13.021.168	46.002.199	12.992.133	17.622.454
0	0	0	0	0	0	0	782.237	1.153.217
158.270.597	**-4.817.544**	**11.878.220**	**57.447**	**0**	**-15.001.805**	**150.386.916**	**59.262.178**	**64.823.534**
80.839.925	-626.663	526.679	0	90.598.306	-73.544.120	97.794.127	9.643.001	19.520.011
53.526	-2.874	0	0	0	0	50.652	424.602	448.569
1.183.830	0	38.400	0	-534.940	-70	687.220	620.254	721.901
2.317.519	0	300.548	0	534.940	0	3.153.007	3.934.627	4.363.987
84.394.801	**-629.537**	**865.627**	**0**	**90.598.306**	**-73.544.190**	**101.685.007**	**14.622.484**	**25.054.468**
1.728.194.769	**-13.233.930**	**80.794.442**	**-1.921**	**91.782.301**	**-89.740.168**	**1.797.795.492**	**472.521.886**	**464.904.278**

Heinrich Bauer Verlag Beteiligungs GmbH, Hamburg

Schedule of share ownership

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

In 2022, a total of 127 companies (previous year: 178 companies) formed part of the share ownership of Heinrich Bauer Verlag Beteiligungs GmbH group.

The group financial statements as of 31 December 2022 covered, in addition to Heinrich Bauer Verlag Beteiligungs GmbH (parent company), a total of 96 (previous year: 145) German and foreign companies (direct and indirect holdings) as well as zero (previous year: zero) associated companies.

One company (previous year: one company) 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 one affiliated company (previous year: two companies), use is made of the exception rule in Art. 313 Para. 3 HGB.

The companies listed in Section C are not included in the group financial statements due to materiality criteria according to Art. 296 Para. 2 HGB because their annual result and/or their total sales or total balance sheet accounted less than 5% of the group result or group sales and the total group balance sheet. This covers a total of 31 (previous year: 33) German and foreign companies, including 12 (previous year: 12) associated companies.

B. Scope of consolidation

Companies included in the 2022 group financial statements in addition to Heinrich Bauer Verlag Beteiligungs GmbH

Direct holdings

Company	Registered office	Shares in group ownership in %
Bauer Ausland 2 GmbH	Hamburg	100
Bauer Media Audio Holding GmbH	Hamburg	100
Bauer Media Audio LP	Peterborough	100
Bauer Media Audio Ltd.	Peterborough	100
Bauer Media France SCS	Paris	95
Bauer Media Invest GmbH	Hamburg	100
Bauer Polen Invest GmbH	Hamburg	100
Bauer Print Ciechanów Sp. z o.o.	Warsaw	100
Bauer Russland Beteiligungs GmbH	Hamburg	100
Bauer Slowakei Beteiligungs GmbH	Hamburg	100
Bauer Sp. z o.o.	Warsaw	100
Bauer Sp. z o.o. Polska Sp.j.	Warsaw	100
Digital Lottery Sp. z o.o.	Warsaw	100
H. Bauer Publishing	London	99,98
H. Bauer Publishing Limited	Peterborough	99,992
HBVB	Peterborough	100
HBVB Management Limited	Peterborough	100

Indirect holdings

Company	Registered office	Shares in group ownership in %
3N Radiot Oy	Helsinki	100
ABC Finansgruppen AS	Oslo	100
Acierto Seguros Online, S.L.	Madrid	100
Artefakt Sp. z o.o.	Warsaw	100
Artefakt Sp. z o.o., Sp.k.	Wroclaw	100
Asesor Consumer Services, S.L.	Madrid	100
Bauer Audio FM Sp. z o.o.	Warsaw	100
Bauer Audio Ireland Limited	Dublin	100
Bauer Consumer Media Ltd.	Peterborough	100
Bauer Digital Radio Ltd.	Peterborough	100
Bauer Group Secretariat Ltd	Peterborough	100
Bauer Media ApS	Skovlunde	100
Bauer Media AS	Bergen	100
Bauer Media Audio Filial	Stockholm	100
Bauer Media Audio Ireland LP	Dublin	100
Bauer Media Holding Oy	Helsinki	100
Bauer Media Oy	Helsinki	100
Bauer Print Ciechanów Sp. z o.o., Sp. j.	Warsaw	100
Bauer Publishing AB	Stockholm	100
Bauer Radio Ltd.	Peterborough	100
BMHAudio Portugal Holdings, Unipessoal LDA	Lisboa	100
BMHAudio Portugal Holdings, Unipessoal LDA. & Comandita	Lisboa	100
Ceratiidae II AB (publ)	Ängelholm	100
Ceratiidae Norway AS	Oslo	100
CRB Audio Group Limited	Peterborough	100
D.EXPRES Management spol. s.r.o.	Bratislava	100
D.EXPRES, k.s.	Bratislava	100
Downtown Radio Ltd.	Newtownards	100
Elephant Orchestra s.r.o.	Prague	100
Elskling AB	Stockholm	100
ePojisteni.cz s.r.o.	Prague	100
EXPRES MEDIA Slovakia k.s.	Bratislava	100
EXPRES NET Management spol. s.r.o.	Bratislava	100
EXPRES NET, k.s.	Bratislava	100
Finansa AS	Oslo	100
Freedom Finance Holdings AB	Ängelholm	100
Freedom Rahoitus Holding Oy	Helsinki	100

Company	Registered office	Shares in group ownership in %
Freedom Rahoitus Oy	Helsinki	100
Frontline Ltd.	Peterborough	85,8
Frontline Publishing Services Ltd.	Peterborough	100
Gold Key Media Limited	Peterborough	100
Grupa RMF Sp. z o.o., Sp.k.	Warsaw	100
Grupa Tense Polska Sp. z o.o. Sp.k.	Poznan	100
HBVB Audio Portugal Holdings S.A.	Barcarena	100
Insplanet AB	Stockholm	100
Kaimax Media Oy	Helsinki	100
Lincs FM Group Limited	Peterborough	100
Miracle Sound Oulu Oy	Helsinki	100
Miracle Sound Oy	Helsinki	51
Multimedia Sp. z o.o.	Krakow	100
Newcent Finans AS	Oslo	100
Nya Radio City AB	Stockholm	50,8
OCP Holding GmbH	Hamburg	100
OPERA FM Sp. z o.o.	Krakow	100
Pro Pozycje Sp. z o.o.	Warsaw	100
Pro Pozycje Sp. z o.o., Sp.k.	Breslau	100
Radio 90 Sp. z o.o.	Rybnik	44
Radio Muzyka Fakty Grupa RMF Sp. z o.o.,Sp. K.	Krakow	100
Rankomat Sp. z o.o.	Warsaw	100
Rankomat.PL Sp. z o.o.	Warsaw	100
RMF Sp. z o.o.	Warsaw	100
Routes to Retail Ltd.	Peterborough	100
Semahead Sp. z o.o. Sp.k.	Krakow	100
Seymour Distribution Ltd.	Peterborough	100
Seymour International Ltd.	Peterborough	100
Srovnejto.cz a.s.	Prague	100
Sunrise System Sp. z o.o.	Warsaw	100
Sunrise System Sp. z o.o., SP.k.	Poznan	100
Tarifomat s.r.o.	Prague	100
Ubezpieczenia online.pl Rankomat Sp. z o.o. Sp.k.	Breslau	100
Ubezpieczenia Rankomat Sp. z o.o.,Sp. k.	Warsaw	100
UKRD Group Limited	Peterborough	100
Widzialni.pl Sp. z o.o.	Warsaw	100
Widzialni.pl Sp. z o.o. Sp.k.	Poznan	100
Wydawnictwo Bauer Sp. z o.o., Sp.j.	Warsaw	100
Zmarta AB	Ängelholm	100

Company	Registered office	Shares in group ownership in %
Zmarta AS	Oslo	100
Zmarta Försäkring AB	Stockholm	100
Zmarta Holding AB	Ängelholm	100

C. Companies not included in the group financial statement

Affiliated companies

Company	Registered office	Shares in group ownership in %
Alex Media Sp. z o.o.	Zakopane	100
Bauer Media (NZ) Ltd.	Auckland, NZ	100
BAUER MEDIA PRAHA v.o.s.	Prague	99,99
Bauer Media Sp. z o.o.	Warsaw	100
Bauer Media Sp. z o.o. Sp.k.	Warsaw	100
BAUER MEDIA v.o.s. (OHG)	Prague	100
EG Digital Ltd.	Peterborough	51
Grupa Tense Polska Sp. z o.o.	Warsaw	100
Kuunappi Radioliiketoiminta Oy	Helsinki	100
Mediatakojat Oy	Pori	100
Nadacia Radia Expres	Bratislava	100
Oy Basso Media Ltd	Helsinki	100
Piccadilly Radio Ltd.	Peterborough	100
Rankosoft Sp. z o.o., Sp.k.	Warsaw	100
Rankosoft Sp.z o.o. i.L.	Warsaw	100
Semahead Sp. z o.o.	Warsaw	100
Tuotantoyhtiö Manuskript Oy	Helsinki	100
UKRD Group (EBT) Limited	Peterborough	100

Associated companies

Company	Registered office	Shares in group ownership in %
C.E. Digital Ltd.	London	50
Independent Radio News Ltd.	London	22,34
Ipswich 102 LTD	Cowbridge	40
Muxco Lincolnshire Limited	London	51
Muxco North Yorkshire Limited	London	50

Company	Registered office	Shares in group ownership in %
Muxco Suffolk Limited	London	33,33
Muxco Surrey and North Sussex Limited	London	50
Norsk Radio AS	Oslo	33
Octave IP Limited	Peterborough	50
Radiocentre Limited	London	32,55
Sound Digital Limited	Peterborough	30
South West Digital Radio Limited	Winchester	33,33

HEINRICH BAUER VERLAG BETEILIGUNGS GMBH, HAMBURG

GROUP MANAGEMENT REPORT 2022

1. Fundamentals of the company

1.1 Business model and segments of the group

In the 2022 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, Portugal, Poland, Slovakia and the Czech Republic. 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, OCPs – 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.

The audio business area contributes with about EUR 675 million to sales and – in the 2022 financial year – presents the most important business area within the consolidated financial statement of Heinrich Bauer Verlag Beteiligungs GmbH. We are one of the largest commercial radio broadcasting services in Europe and weekly reach an audience of about 61 million listeners. In addition, we provide digital platforms and operate podcasts.

With sales of about EUR 579 million, publishing is still a very important business area of the Bauer Media Group. It comprises the magazine business, online activities, print houses and publishing services.

The business area of comparison platforms contributes about EUR 124 million to total sales. About 10 million customers are using our services in Scandinavia, Spain and in Eastern Europe.

With sales of about EUR 34 million, the smallest business area is the marketing and distribution services for small and medium-sized enterprises (SMEs).

With its takeover of the Media Capital Rádios in Portugal in the spring of 2022, Bauer Media Group entered the audio market in Portugal and thus expanded its audio business to nine countries in order to further develop its position as Europe's leading commercial radio broadcaster with more than 61 million weekly 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 digitization 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.

With our access into the radio 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. The acquisitions in the radio area are an essential component of the strategy of Bauer Media Audio on its way to becoming a global audio pioneer offering innovative audience and advertisement services.

With the onset into the business with comparison platforms in the year 2015, we successfully continued further diversification. In this business area, we continue the strategy to establish a leading platform in Europe which establishes synergies in the areas of marketing, technology and data between the individual markets and to provide us with competitive advantages in the individual countries.

In 2022, we strategically pressed ahead with the transformation of our corporate group to a more widely diversified enterprise 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 the most important activities. Based on these reports, we compare actual values with 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, Portugal, Sweden, Slovakia, Spain, and the Czech Republic.

2. Economic report

2.1 Macroeconomic framework conditions

In the year 2022 the global economic development substantially decreased due to the consequences of the war in Ukraine, the high rates of inflation, partly sustained corona restrictions, especially in China, and the supply chains which continued to be disordered. Real gross domestic product (GDP) increased by 3.9 percent versus 5.9 percent in the year 2021:

Furthermore, recovery in the Euro Zone was hampered by high inflation and the consequences of the war in Ukraine. Real GDP increased, in 2022, by 3.5 percent versus 5.2 percent in the previous year.

In Germany, high energy prices especially burdened the purchasing power of private households and curbed private consumption. Despite difficult conditions, the German economy overall held its ground in the year 2022. Real GDP increased by 2.0 percent in 2022 versus 2.6 percent the previous year.

Our 2022 management agenda continued to be, moreover, strongly affected by global trends which we could not ignore and which are thus increasingly reflected in our results and planning. The most eminent trend is the progressing digitalization and the increasing concomitant transformation of the (media) economy.

There is a risk in the steadily and increasingly faster transformation of the 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 digital shift also results in further consequences – especially decreasing print runs of circulations of periodicals, and thus connected and resulting a weakening of conventional sales channels. Digital sales can only reduce in a limited extent the sales declines in the classical magazine business. We generally established, however, that the corona crisis in recent years considerably accelerated the trends observed in the past regarding the use of media and media-related services.

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 increasing 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 enterprise.

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 2022, Germany's macroeconomic condition were characterized by the consequences of the war in Ukraine and extreme energy price increases; Additionally, material and supply bottlenecks were aggravated, prices were increased massively – e.g. for foods, furthered by a lack of skilled workers and the continuing although abating corona pandemic over the course of the year. Despite these still difficult conditions, the German economy in 2022 remained on track overall. In the year 2022, economic growth was 2.0 percent – taking calendar adjustment into account (versus 2.6 percent in the previous year).

An average of 45.6 millions of workers with their work outlet in Germany rendered the economic output in 2022. That was 1.3 percent or 589,000 persons more than the year before and as many as never before in Germany. In 2022, the level of employment was effected especially with employees subject to social insurance contributions and in the services areas. The number of employed persons in the manufacturing industries increased only slightly and was unable to balance out the employment losses of the last two previous years. Despite the lack of skilled workers in the construction industry, there was again a minor growth in employment.

Following preliminary calculations, state budgets terminated the year 2022 with a funding deficit of Euro 101,6 billions. That was about Euro 33 billions less than in the year 2021 (Euro 134.3 billions). Reliefs of the national budget by the expiring corona measures were again superposed by new burdens due to the energy crisis as a consequence of the Russian war of aggression in Ukraine. Thus, the Federal government got, inter alia, three relief packages of the ground to counteract the extremely increasing energy costs and to support consumers as well as the economy. The relief packages resulted in higher government spending primarily financed by the Federal government. In 2022, as well as in 2021, the Federal deficit (Euro -117.6 billions) was somewhat higher than the state deficit overall. Federal states, municipalities and social security funds each realized minor fiscal surpluses. 2022 as well as in 2021. As measured by the nominal GDP, a deficit rate of 2.6 percent was calculated for the state in the year 2022, which was thus significantly lower than in the two preceding years.

In 2022, the rate of inflation in Germany was 7.9 percent on the annual average (3.1 percent in the previous year 2021). The inflation rate thus significantly increased versus the previous years. Higher costs were caused especially by high energy costs as well as by an increase in food prices. The rate of inflation peaked in October 2022 at 10.4 percent. While energy products increased by 34.7 percent on the 2022 annual average, food prices increased, on the average, by 13.4 percent compared to 2021.

2.1.2 Development in Great Britain

In the year 2021 already, Great Britain experienced a significant recovery of the economy with an increase by the gross domestic product of 7.5 percent – even though the level of time before the corona pandemic could not yet be reached. In 2022, this trend continued with a still significant growth of the gross domestic product by 4.0 percent. However, consumer prices at 9.1 percent not only significantly exceeded the development of the gross domestic product but also the comparison value by the previous year.

2.1.3 Development in Poland

As a neighboring state, Poland experienced extremely significantly the consequences of the Russian war of aggression against Ukraine. However, the Polish domestic demand was supported by a low rate of unemployment and the influx of migrants from Ukraine. Poland was thus able to increase the gross domestic product by 5.1 percent in the year 2022.

In December 2022, the rate of unemployment in Poland was 5.2 percent which is the best result since the year 1990.

However, the country is afflicted by high energy prices and consumer prices. Thus, Poland has one of the highest rates of inflation in Europe. In 2022, the annual average of the inflation was at 13.2 percent and was thus about 8 percentage points higher than 2021.

2.1.4 Development in Sweden

In the year 2022, the Swedish economy again developed positively even if the increase in the gross domestic product was lower than in the previous year at 2.6 percent (4.6 percent). At the same time, consumer prices significantly increased with 8.1 percent versus 2.7 percent in the year 2021. For 2023, a slightly negative GDP growth and a moderate decline of inflation was expected. Thus, in March 2023, the economic growth of -0.6 percent was forecast for 2023.

2.1.5 Development in the Czech Republic

Although the Czech economy increased in the year 2022, relative to the gross domestic product with 2.4 percent; it is less, however, than in the previous year (3.3 percent). The development was essentially characterized by the increase in consumer prices by about 15 percent, which thus nearly quadrupled compared to the previous year. For the year 2023, the average rate of inflation is forecast at about 11.8 percent.

2.1.6 Development in France

In France as well, at 2.6 percent growth of the gross domestic product was significantly lower than 6.8 percent in the year 2021. Although the increase in consumer prices was lower, for example, than in Germany and Great Britain; it was with 5.9 percent still at a high level.

2.2 Sector-specific framework conditions and 2022 course of business

The year 2022 was characterized on the one hand by the lifting of restrictions in connection with the Covid-19 pandemic, and on the other hand by ever rising costs for the publishing industry. Of significance was also the growing inflation, which showed negative effects for the industry on consumer side as well as on the publishing side. Additionally a digital transformation of the (media) industry, accelerated by the pandemic, as well changes in purchasing behavior are to be observed.

The advertising industry in Germany grows to EUR 48.66 billion (+2.8 percent) in 2022. This means, that for the first time in three years it grows above the level of the pre-crisis year 2019. The same applies for the industry's other key data: The investments in advertising increase to EUR 36.99 billion (+2.6 percent), and the media's net advertising revenue increase to EUR 26.37 billion (+1.9 percent). The decisive factor for these gains is the above-average growth of digital advertisement in comparison to other forms of advertising, which however as already was the case in the previous years, was realized by a few mega platforms and from which national players were able to profit only on a below-average level. The effects of inflation-related price increases that have already been noticeable in 2022 are also responsible for nominal gains. Any urgently hoped-for recovery of the market, driven by sustainably-increasing advertising investments, is countered by a high inflation, high prices for raw materials and energy, and the accordingly associated reduced propensity to consume or a reduced buying/spending mood.

Overall, sales of the German press wholesale business declined in business year 2022 by EUR 117 million (-7.0 percent) to EUR 1.57 billions. In this respect, the press core business – the sale of newspapers and magazines – share in the decline was EUR 137 million or 8.3 percent. The press wholesale business profited from the soccer World Cup in 2022 in the segment of press-related products, without being able to attain the level of economic success demonstrated in connection with previous European Championships or World Cups. Due to the decline in sales, the average product returns rate of papers and magazines have slightly increased in 2022 once again. Significantly less impacted than other magazine segments, by the overall decrease in sales was the segment of TV program guides - constituting the second-largest magazine segment with a sales share of 15 percent. The same applies for the business segment of pulp/paperback novels and puzzle books. Significant drops were however incurred by segments Computer/PC and Multimedia/Technology, as well as family- and animal-related/themed magazines.

Compared with the print business, radio markets were able to present a significant increase in 2022: In all our geographies, we observed a significant growth of the advertising market.

The OCP sales in the year 2022 decreased by EUR -6.6 million, or -5.1 percent respectively versus the previous year. The energy crisis had the effect of halting the energy suppliers' new acquisition efforts, thus resulting in a decrease of energy sales. Credit turnover declined as well. This is particularly due to the increased competition, the banks' or credit institutes' ever drastic risk assessments, as well as higher interest rates. Insurances sales on the other hand increased.

In the year 2022, sales in the SME Services business area decreased by EUR -5.5 million, or -12.5 percent respectively.

2.3 Earnings situation

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

Accounts shown in kEUR	2022	2021	Changes in kEUR	in %
Sales revenues	1.411.937	1.413.975	-2.038	-0,1%
Inventory changes and other operating income	10.868	7.101	3.767	53,1%
Material expenses	-576.592	-573.596	-2.996	0,5%
Personnel expenses	-314.812	-302.779	-12.033	4,0%
Depreciations	-79.929	-97.243	17.314	-17,8%
Other operating income	-301.871	-277.998	-23.873	8,6%
Operating result	149.601	169.461	-19.860	-11,7%
Financial result (Interest and investment result)	3.582	5.005	-1.423	-28,4%
Special factors	4.073	123.054	-118.982	-96,7%
Taxes on earnings	-44.607	-42.708	-1.899	4,4%
Group result before minority interests and profit and loss tranfer	112.648	254.812	-142.163	-55,8%

Any comparison with the previous year is particularly characterized by the effects of the 2022 investments made in Portugal's audio business as well as the sale of the U.S. publishing operations at the end of the previous year.

Sales revenues have only slightly decreased versus the previous year (-0.1 percent). Sales increases were predominantly realized in the audio business area by the takeover of Portugal's radio stations as of June 2022, while sales revenues from the publishing business area are decreasing. This decrease can also be attributed to the sale of the U.S. American companies at the end of 2021.

The increase in changes in inventory and other operating income resulted especially from higher earnings from intragroup contributions (+TEUR 1.822), as well as higher earnings from costs subsequently passed on (+TEUR 1.195).
Material expenditures slightly increased in comparison to sales (+0.5 percent); this essentially results from increased paper prices and the increase of energy expenditures.

The increase in personnel expenditures by TEUR 12.033 (+ 4.0 %) essentially results from salary increases as well as the higher number of employees.

Depreciations essentially comprise depreciations of capitalized goodwill (EUR 22 million; previous year: EUR 43 million) as well as disclosed hidden reserves in case of broadcasting, trademark and title rights (EUR 32 million; previous year: EUR 42 million). The reduction of depreciations essentially results from the lower scheduled depreciations on goodwill due to the expiration of the applied economic lifetime.

Other operating expenditures have increased especially due to higher costs for advertisements and market research as well as higher cost allocations of the shareholder, in particular due to investments in the project TranS/4m (Group-wide program for the remodeling of the financial department and implementation of an efficient and user-friendly finance system for the overall organization).

Compared to the previous year an operating result was realized which is thus lower by EUR 20 million.

Special factors essentially comprise currency conversion gains and losses, as well as earnings from the release of provisions, while in the previous year especially the final consolidation result from the sale of the U.S. publishing business had increased the Group result by EUR 113 million. Earnings from the release of provisions result essentially from the treating as income of provisions for licensing costs of an English radio company following final settlement with the licensor.

On the basis of the above presentation resulted, instead of a slight forecast sales increase a minor reduction of sales revenues; moreover, the forecast operating results could not be realized due to the increase in expenditures in virtually all areas.

2.4 Assets and financial situation

2.4.1 Assets situation

Accounts shown in kEUR	2022	2021	Changes in kEUR	in %
Medium and long-term tied up assets (Fixed assets)	477.370	465.077	12.293	2,6%
Short-term tied up assets (Current assets including prepaid expenses)	1.263.387	903.704	359.683	39,8%
Total assets	1.740.757	1.368.782	371.975	27,2%
Equity	1.342.806	981.790	361.016	36,8%
Medium and long-term debt capital (*Pension provisions and medium-term* liabilities)	23.385	21.817	1.568	7,2%
Short-term debt capital (Provisions and liabilities including deferred income)	374.566	365.176	9.390	2,6%
Total liabilitities	1.740.757	1.368.782	371.975	27,2%

Total assets increased by 27.2 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 Portugal as of June 1, 2022. Scheduled depreciations had an opposite effect on fixed assets.

The increase in short-term tied up assets essentially results from the increase in receivables from affiliated companies, as well as comprising the higher receivables from the cash pool. The decrease in other assets had the opposite effect (in the previous year from the results from the purchase price claimed from the sale of the U.S. publishing-business).

Equity capital increased by 36.8 percent versus the previous year. This is essentially attributed to a capital injection by the parent company in the amount of EUR 116.3 million as well as to the consolidated annual net profit (EUR 263.1 million).

The increase in medium- and long-term loan capital amounts to 7.2 percent; not resulting in important changes in relation to the previous year.

The increase of short-term borrowed capital amounts to 2.6 percent. This is due especially to the rise in deferred tax liabilities in connection with the activation of broadcasting licenses and marketing rights resulting from the acquisition of the Portuguese radio companies. Counteractive were for one the decrease in liabilities from accounts payable, as well as other liabilities.

2.4.2 Financial situation

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

Accounts shown in kEUR	2022	2021	Changes in kEUR
Financial resources at the beginning of the period	679.511	609.450	70.061
Inflow (+) / outflow (-) of funds from			
Operating activities	163.148	188.591	-25.443
Investment activities	45.284	-99.365	144.649
Financing activities	-99.391	-35.197	-64.194
Consolidated group-related changes in cash and cash equivalents	2.213	7.506	-5.293
Exchange rate and valuation related changes in cash and cash equivalents	-8.049	8.526	-16.575
Financial resources at the end of the period	782.716	679.511	103.205

The cash flow from investment activities is essentially characterized by additions to and departures from the consolidated companies. The cash flow from the financing activity is characterized, on one hand, by equity capital injections by the parent company in the amount of EUR 116 million (previous year: EUR 39 million); compensation of the profit transfer from the previous year in the amount of EUR 208 million (previous year: EUR 64 million) 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 6,341 employees of the annual average (previous year: 6,295 employees). The increase essentially results from an increase of personnel in the business areas.

2.6. Overall statement

In the past financial year, Bauer Media Group was able to keep the sales on level of the previous year, while the operating result decreased. The sales increase in the audio business area, due to the acquisition of the Portuguese radio stations, are offset by decreases in sales in the publishing business area especially due to the sale of U.S. publishing business. Especially the increase in personnel expenditures and other operating expenditures resulted in a decrease of the operating result.

3. Outlook report, opportunities and risk report

3.1 Outlook report

The outlook for the global economic development remain subdued. The effects of the Russian war of aggression on Ukraine, the high inflation, as well as – even if to an ever lesser extent – the Covid-19 pandemic, still characterize the big picture. In spite of this headwind, many economies showed surprising resilience in the second half of the year 2022: According to the International Monetary Fund (IMF), this is especially due to private consumption, investments in equipment and support measures adopted by governments. The demand of private households had remained high. Companies would invest in order to fulfill the high demand, what is facilitated by the lessening supply chain bottlenecks and shortages. Finally, the energy markets had adapted to the new situation following the start of the Russian war of aggression on Ukraine faster than anticipated. Since late summer 2022 the energy prices are decreasing again, inter alia due to a warm winter and to the gas saving efforts in Europe. In China, the restrictions for the fight against the Covid-19 pandemic, were unexpectedly and suddenly loosened at the end of the previous year.

Subsequently the prospects for the global economy have become slightly better – despite rising key interest rates. The IMF no expects a the global economy to be growing at a rate of 2.9 percent in the year 2023 and of 3.1 percent in the year 2024. Thus, the global economy is far removed from a recession on a global scale. However, when compared to the year 2022, the growth once again noticeably decreases by 0.5 percentile and the growth rates remain well below the long-term average of 3.8 percent for the years 2000 to 2019. The declining dynamic in the global economy is to be attributed especially to the industrialized countries: Following a growth of 2.7 percent in the last year, for this year only a growth rate of 1.2 percent is expected. The situation in the developing and emerging countries is different: For them a very slight recovery is expected as of 2023 – which is also a result of the opening of the Chinese economy following the pandemic. In 2023, over 50 percent of global economic growth can be attributed to China and India.

The growth forecast by the IMF for the year 2023, predicts an increase in 0.8 percent for the Euro zone, while the forecast for Germany predicts a decrease of 0.1 percent. For Great Britain a negative development is expected as well, in the decrease of the gross domestic product by an estimated 0.3 percent.

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 keep the inflation estimates for 2023 on a high level – in spite of counter-measures in the interest rate policy.

Overall, the subgroup Heinrich Bauer Verlag Beteiligungs GmbH is planning, for the financial year 2023 with unchanged sales in comparison to the previous year. For the business area Audio a positive sales development of approx. 4-5 % is expected. This is however virtually fully compensated by publishing business and OCP business area each being in decline. For the next year we expect a moderate increase in the operating results adjusted for special factors (in the mid-single-digit percentage range). Although higher production costs due to increased paper and energy prices,, as well as investments in the continuous improvement of our processes (e.g. group-wide introduction of the SAP S/4HANA, transformation program "IMAGINE" in the publishing business) have a negative effect on the result, but the estimated operating result in the audio business area will foreseeably be able to overcompensate this due to above average increases in sales. Furthermore, in the business area OCP a noticeable improvement of the still negative operating results is to be expected, due to the introduced restructuring measures (especially optimization of internal processes and increased automation of processes and procedures/routines).

The management agenda for 2023 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 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, or as well SMS sweepstakes).
- 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.
- 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

In the following, the greatest opportunities for the 2023 financial year are listed in descending order of their significance:

- Growth opportunities due to the continuous development and introduction of new digital products and services for our customers
- Increasing 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
- Further productivity improvements / automation of processes and procedural flows
- Innovative capability 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, 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 as well as further cost increases

3.2.2 Risks

In the following, the greatest risks for the 2023 financial year are listed in the descending 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
- Risks disrupting the operative business process, such as e,g, 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
- 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
- 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, – since February 2022 – far-reaching negative consequences for the economic development and recovery after the coronavirus pandemic. This is reflected in a rapid increase in energy prices – despite a slight easing in recent months. 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, September 4, 2023
Heinrich Bauer Verlag Beteiligungs GmbH

Heinz H. Bauer

Yvonne Bauer

Michaela Gärtner

Dr. Gerald Mai

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 balance sheet as at December 31, 2022, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, to December 31, 2022 and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Heinrich Bauer Verlag Beteiligungs GmbH*]* for the financial year from January 1, to December 31, 2022.

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 December 31, 2022 and of its financial performance for the financial year from January 1, to December 31, 2022, in accordance 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 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 the German Generally Accepted Standards of 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 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 consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and 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. 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 (i.e., fraudulent financial reporting and misappropriation of assets) 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 is 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 judgement and maintain professional scepticism 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 the risk of not detecting a material misstatement 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 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 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 September 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Papenberg Wirtschaftsprüfer [German Public Auditor]	Hagenmüller Wirtschaftsprüferin [German Public Auditor]