JOJ Media House, a. s.

Independent Auditors' Report
on the Consolidated Financial Statements and Annual Report
and
Annual report 2022

Translation note:
This version of the accompanying financial statements is a translation from the original, which was prepared in Slovak. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

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Translation of the Independent Auditors' Report originally prepared in Slovak language

Independent Auditors' Report

To the Shareholders, Supervisory Board and Board of Directors of JOJ Media House, a. s.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of JOJ Media House, a. s. (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position as at 31 December 2022;

and, for the period then ended:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;

and

- notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with IFRS Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following key audit matters:

Impairment of long-lived assets

Goodwill and other intangible assets: EUR 82,273 thousand as at 31 December 2022 (EUR 86,306 thousand as at 31 December 2021); related impairment loss as at 31 December 2022: EUR 9,681 thousand (31 December 2021: EUR 8,472 thousand).

Property, plant and equipment: EUR 78 378 thousand as at 31 December 2021 (EUR 77,770 thousand as at 31 December 2021); related impairment loss as at 31 December 2022: EUR 253 thousand (31 December 2021: EUR 310 thousand).

Right-of-use assets: EUR 100,894 thousand as at 31 December 2022 (EUR 118,850 thousand as at 31 December 2021); no impairment recognized as at 31 December 2022 or 31 December 2021.

Refer to Notes 2b), 2e), 2f) and 2r) (Summary of significant accounting policies) and Note 14 (Impairment testing of assets) of the consolidated financial statements.

Key audit matter	Our response
Pursuant to the relevant provisions of the financial reporting standards, annual impairment testing is required for intangible assets with an indefinite useful life or not yet available for use, and for the cash-generating units ("CGUs") to which goodwill has been allocated. In addition, as discussed in Note 14, the Group identified impairment indicators in respect of its intangible assets with finite useful lives, property, plant and equipment and right-of-use assets, mainly related to weaker performance during the year. In view of the above factors, as at 31 December 2022, the Group tested intangible assets, property, plant and equipment and right-of use assets for impairment as part of its testing for all significant CGUs. The Group determined the	Our procedures in the area included, among others: - Evaluating against the requirements of the relevant financial reporting standards the Group's accounting policy for identification of impairment, and measurement and recognition of any impairment losses in respect of long-lived assets; - Evaluating the design and implementation of selected internal control relating to the identification of impairment indicators and to the process of impairment testing; - Assessing the appropriateness of asset grouping into CGUs, based on our

recoverable amounts for the CGUs based on their value in use estimated under the discounted cash flow method.
 	
Determination of the recoverable amount requires making a number of assumptions and judgments, in particular those relating to grouping of assets into CGUs, discount rates used and future cash flows, with key assumptions made about expected future EBITDA and capital expenditures.
 	
Due to the above factors, coupled with the higher estimation uncertainty stemming from the effects of current macroeconomic situation, mainly increasing energy prices and interest rates, assessment of the long-lived assets for impairment required our significant judgment and increased attention in the course of our audit. As a consequence, we consider the area to be a key audit matter.
	understanding of the Group's operations and business units;
	- Assessing the Group's discounted cash flow model against the relevant financial reporting standards, market practice and for internal consistency;
	- Evaluating the quality of the Group's forecasting by comparing historical projections with actual outcomes;
	- Assisted by our own valuation specialists, challenging the key assumptions and data used in the impairment tests. This included, among other things:
	  o Assessing reasonableness of the assumptions relating to future EBITDA and capital expenditures. We performed the procedure based on our understanding of the Group's activities and by reference to available historical and competitor data and macroeconomic data from the National Bank of Slovakia and European Central Bank;
	  o Challenging reasonableness of the discount rates used, based, among other things, on data from publicly available market sources;
	- Assessing susceptibility of the impairment model and the resulting impairment conclusion to management bias, by challenging the Group's analysis of the model's sensitivity to changes in key underlying assumptions;
	- Assessing the appropriateness and completeness of impairment-related disclosures in the consolidated financial statements against the requirements of the financial reporting standards.

Responsibilities of the Statutory Body and Those Charged with Governance for the Consolidated Financial Statements

The statutory body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group'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 the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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 to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body;
- Conclude on the appropriateness of the statutory body'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 our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Reporting on other information in the Consolidated Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information in the Annual Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the consolidated financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited consolidated financial statements or our knowledge obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With respect to the Annual Report, we are required by the Act on Accounting to express an opinion on whether the other information given in the Annual Report is consistent with the consolidated financial statements prepared for the same financial year, and whether it contains information required by the Act on Accounting.

Based on the work undertaken in the course of the audit of the consolidated financial statements, in our opinion, in all material respects:

- the other information given in the Annual Report for the year ended 31 December 2022 is consistent with the consolidated financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.

In addition to this, in light of the knowledge of the Company and its environment obtained in the course of the audit of the consolidated financial statements, we are required by the Act on Accounting to report if we have identified material misstatements in the other information in the Annual Report. We have nothing to report in this respect.

Reporting on other information related to European Single Electronic Format

Independent assurance report on the compliance of the presentation of the consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged by the Company to conduct a reasonable assurance engagement to verify the compliance of the presentation of the consolidated financial statements of Group for the year ended 31 December 2022 included in the Annual Financial Report (the "Presentation of the Consolidated Financial Statements") with the requirements of the ESEF Regulation.

Description of subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the management to comply with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding paragraph with respect to the Presentation of the Consolidated Financial Statements constitute, in our view, appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The management is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation. This responsibility includes:

- preparation of the consolidated financial statements in XHTML format;
- selection and application of appropriate markups in iXBRL using ESEF taxonomy; and
- designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's financial reporting process, which also includes the preparation of the consolidated financial statements that also comply with the requirements of the ESEF Regulation.

Our responsibility

Our responsibility is to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits and Reviews of Historical Financial Information, (the "ISAE 3000(R)"), issued by the International Auditing and Assurance Standards Board (the "IAASB"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

The nature, timing, and extent of procedures performed depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) always detects material non-compliance.

Our quality control and independence requirements

We apply the provisions of International Standard on Quality Control 1 (issued by the IAASB) and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International

Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the electronic reporting format of the consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was properly applied;
- evaluating the completeness of marking up the consolidated financial statements using the XBRL markup language according to the requirements of the implementation of the electronic format, as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF core taxonomy has been identified; and
- evaluating the appropriateness of the anchoring of the extension elements to the ESEF core taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

Additional requirements on the content of the auditors' report according to Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and approval of an auditor

We have been appointed as a statutory auditor by the statutory body of JOJ Media House, a. s. on 15 November 2022 on the basis of approval by the General Meeting of JOJ Media House, a. s. held on 14 April 2022. The period of our total uninterrupted engagement, including previous renewals (extensions of the period for which we were originally appointed) and reappointments as statutory auditors, is 12 years.

Consistency with the additional report to the audit committee

Our audit opinion as expressed in this report is consistent with the additional report to the supervisory board of the Company, which was issued on 25 April 2023.

Non-audit services

No prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities were provided and we remained independent of the Group in conducting the audit.

In addition to the statutory audit services and services disclosed in the Annual Report or the consolidated financial statements of the Group, we did not provide any other services to the Group.

Slovenská komora audítorov
SKAU
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KPMG
Slovensko spol. s r.o.

Audit firm:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Ivana Mazániková
License SKAU No. 910

Bratislava, 28 April 2023

JOJ Media House, a. s.
and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2022

prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union

Contents

in thousands of EUR	*Note*	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Revenue from the sale of merchandise and services	*5*	217 320	212 401
Other operating income	*6*	3 014	7 607
Total operating income		**220 334**	**220 008**
Gain on bargain purchase	*4*	-	196
Personnel expenses	*7*	-32 762	-29 505
Production and impairment costs of TV and radio broadcasting programs	*18*	-35 642	-33 740
Use and write-off of program rights	*18*	-13 752	-13 745
Posting, printing and removal of advertising	*8*	-12 907	-10 739
Depreciation, amortisation and impairment of non-current assets	*9*	-35 517	-37 339
Other operating expenses	*10*	-68 491	-66 714
Total operating expenses		**-199 071**	**-191 782**
Profit from operating activities		**21 263**	**28 422**
Exchange rate loss, net		-759	-828
Interest expenses, net	*11*	-16 569	-16 051
Profit / (loss) from financial instruments, net		569	-1 780
Loss from associates and joint ventures		-2	-
Other financial expenses, net		-226	-543
Profit before tax		**4 276**	**9 220**
Income tax	*12*	-2 641	-4 391
Profit for the period		**1 635**	**4 829**
Profit for the period attributable to:			
Shareholders of the Company		1 339	3 465
Non-controlling interests		296	1 364

in thousands of EUR	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Other comprehensive income, after tax		
Items with subsequent reclassification into profit or loss:		
Foreign currencies translation differences	416	660
Items without subsequent reclassification into profit or loss:		
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)	44	-507
Total other comprehensive income	**460**	**153**
Total comprehensive income for the period	**2 095**	**4 982**
Total comprehensive income for the period attributable to:		
Shareholders of the Company	1 745	3 660
Non-controlling interests	350	1 322

The notes presented on pages 9 to 93 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	**31 December 2022**	**31 December 2021**
Assets			
Goodwill	*13*	12 154	12 316
Televisual format	*13*	58 822	62 744
Other non-current intangible assets	*13*	11 297	11 246
Program rights	*18*	2 646	1 838
Accrued internal program rights	*18*	674	746
Property, plant and equipment	*15*	78 378	77 770
Investment property		216	257
Right-of-use assets	*16*	100 894	118 850
Investments in associates and joint ventures		797	615
Trade and other receivables	*19*	297	949
Loans granted	*20*	379	1 077
Other assets	*21*	1 811	736
Deferred tax asset	*26*	1 359	1 097
Total non-current assets		**269 724**	**290 241**
Program rights	*18*	15 243	13 465
Accrued internal program rights	*18*	31 440	28 472
Trade and other receivables	*19*	34 542	40 613
Other financial assets	*17*	378	446
Loans granted	*20*	2 419	1 904
Other assets	*21*	6 423	6 305
Corporate income tax receivable		398	365
Cash and cash equivalents	*22*	20 612	22 418
Assets held for sale		-	103
Total current assets		**111 455**	**114 091**
Total assets		**381 179**	**404 332**

in thousands of EUR	*Note*	**31 December 2022**	**31 December 2021**
Equity			
Share capital		25	25
Other funds		63 881	63 085
Accumulated loss		-37 649	-39 004
Equity attributable to Shareholders of the Company		**26 257**	**24 106**
Non-controlling interests		862	638
Total equity	*23*	**27 119**	**24 744**
Liabilities			
Bank loans	*24*	56 183	60 918
Interest-bearing loans and borrowings	*24*	11 191	8 991
Issued bonds	*25*	40 104	74 534
Lease liabilities	*16*	59 300	71 158
Provisions	*27*	833	1 084
Trade and other liabilities	*28*	1 790	2 106
Other liabilities	*29*	226	216
Deferred tax liability	*26*	20 912	23 248
Total non-current liabilities		**190 539**	**242 255**
Bank loans	*24*	35 111	45 547
Interest-bearing loans and borrowings	*24*	8 982	10 271
Issued bonds	*25*	40 144	931
Lease liabilities	*16*	15 335	15 977
Provisions	*27*	1 098	1 098
Trade and other liabilities	*28*	50 212	49 592
Other liabilities	*29*	11 145	9 772
Corporate income tax liability		1 494	4 143
Liabilities related to assets held for sale		-	2
Total current liabilities		**163 521**	**137 333**
Total liabilities		**354 060**	**379 588**
Total equity and liabilities		**381 179**	**404 332**

The notes presented on pages 9 to 93 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	Equity attributable to Shareholders of the Company								
		Share capital	**Legal reserve fund**	**Other capital funds**	**Foreign currency translation reserve**	**Revaluation fund**	**Accumulated loss**	**Total**	**Non-controlling interests**	**Total**
Balance as at 1 January 2022		**25**	**1 303**	**62 457**	**-222**	**-453**	**-39 004**	**24 106**	**638**	**24 744**
Total comprehensive income for the period										
Profit / (loss) for the period		-	-	-	-	-	1 339	1 339	296	1 635
Other comprehensive income, after tax										
Foreign currencies translation differences		-	-	-	362	-	-	362	54	416
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)		-	-	-	-	44	-	44	-	44
Reclassification of change in fair value of equity securities to retained earnings / (losses)		-	-	-	-	1	-1	-	-	-
Total Other comprehensive income		**-**	**-**	**-**	**362**	**45**	**-1**	**406**	**54**	**460**
Total comprehensive income for the period		**-**	**-**	**-**	**362**	**45**	**1 338**	**1 745**	**350**	**2 095**
Transactions with shareholders recognised directly in equity										
Increase of other capital funds		-	-	-	-	-	406	406	217	623
Transfer to the legal reserve fund		-	185	-	-	-	-185	-	-	-
Dividends paid out to non-controlling interests		-	-	-	-	-	-	-	-42	-42
Effect of new acquisitions	*4*	-	-	-	-	-	-	-	-301	-301
Effect of disposal of subsidiaries	*4*	-	-	-	9	195	-204	-	-	-
Total transactions with shareholders		**-**	**185**	**-**	**9**	**195**	**17**	**406**	**-126**	**280**
Balance as at 31 December 2022		**25**	**1 488**	**62 457**	**149**	**-213**	**-37 649**	**26 257**	**862**	**27 119**

in thousands of EUR	*Note*	Equity attributable to Shareholders of the Company								
		Share capital	**Legal reserve fund**	**Other capital funds**	**Foreign currency translation reserve**	**Revaluation fund**	**Accumulated loss**	**Total**	**Non-controlling interests**	**Total**
Balance as at 1 January 2021		**25**	**696**	**62 457**	**-797**	**-76**	**-42 215**	**20 090**	**-675**	**19 415**
Total comprehensive income for the period										
Profit for the period		-	-	-	-	-	3 465	3 465	1 364	4 829
Other comprehensive income, after tax										
Foreign currencies translation differences		-	-	-	572	-	-	572	88	660
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)		-	-	-	-	-377	-	-377	-130	-507
Total Other comprehensive income		**-**	**-**	**-**	**572**	**-377**	**-**	**195**	**-42**	**153**
Total comprehensive income for the period		**-**	**-**	**-**	**572**	**-377**	**3 465**	**3 660**	**1 322**	**4 982**
Transactions with shareholders recognised directly in equity										
Increase of other capital funds		-	-	-	-	-	260	260	83	343
Transfer to the legal reserve fund		-	607	-	-	-	-607	-	-	-
Dividends paid out to non-controlling interests		-	-	-	-	-	-	-	-64	-64
Effect of new acquisitions	*4*	-	-	-	-	-	-	-	68	68
Changes in ownership interest without loss of control	*23*	-	-	-	3	-	93	96	-96	-
Total transactions with shareholders		**-**	**607**	**-**	**3**	**-**	**-254**	**356**	**-9**	**347**
Balance as at 31 December 2021		**25**	**1 303**	**62 457**	**-222**	**-453**	**-39 004**	**24 106**	**638**	**24 744**

The notes presented on pages 9 to 93 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Cash flows from operating activities			
Profit for the period		1 635	4 829
Income tax	*12*	2 641	4 391
Interest expenses, net	*11*	16 569	16 051
Profit before interest and tax		**20 845**	**25 271**
Adjustments for:			
Depreciation, amortisation and impairment of non-current assets	*9*	35 517	37 339
Creation of impairment allowance for trade receivables and inventory	*10*	3 005	1 610
Creation of impairment allowance for loans provided	*20*	2	583
Creation of impairment allowance for accrued internal program rights	*18*	3 153	3 066
Write off of accrued internal program rights and program rights	*18*	1 505	1 314
Loss from associates and joint ventures		2	-
Gain on bargain purchase	*4*	-	-196
Gain on written-off liabilities		-566	-115
(Gain)/ loss on investment property revaluation		48	-7
Gain on lease termination	*6*	-72	-363
Change in provisions	*27*	263	406
Gain on sale of non-current assets		-118	-132
Other non-cash items		236	251
Operating profit before changes in working capital		**63 820**	**69 027**
(Increase) / decrease in program rights and internal program rights		-10 119	2 951
(Increase) / decrease in trade and other receivables and other assets		3 180	-4 286
Increase / (decrease) in trade liabilities, other financial liabilities and other liabilities		827	-6 353
Cash flows from operating activities		**57 708**	**61 339**
Interest paid		-14 366	-26 789
Income tax paid		-8 126	-5 268
Net cash flows from operating activities		**35 216**	**29 282**
Cash flows from investment activities			
Proceeds from business combinations / (disbursements) on business combinations	*4*	-269	63
Proceeds from sale of subsidiaries	*4*	18	-
Proceeds from sale of property, plant and equipment, intangible assets and investment property		1 939	2 751
Acquisition of property, plant and equipment and intangible assets and investment property		-11 211	-11 376
Disbursements on loans granted		-286	-6 063
Proceeds from loans granted		75	6 293
Dividends received		7	8
Interest received		22	233
Net cash used in investment activities		**-9 705**	**-8 091**

in thousands of EUR		Year ended 31 December 2022	Year ended 31 December 2021
Cash flows from financing activities			
Repayments of loans and borrowings	*24*	-11 959	-46 599
Drawings of loans and borrowings	*24*	-	53 833
Sold and issued bonds	*24*	2 815	16 668
Repayment of bonds	*24*	-	-34 432
Repayment of lease liabilities	*24*	-14 715	-15 315
Increase of other capital funds		459	343
Dividends paid to non-controlling interests		-42	-64
Net cash used in financing activities		**-23 442**	**-25 566**
Increase / (decrease) in cash and cash equivalents		2 069	-4 375
Cash and cash equivalents as at 1 January*		539	4 438
Effect of exchange rate fluctuations on cash held		526	476
Cash and cash equivalents as at 31 December*		**3 134**	**539**

Cash and cash equivalents comprise:

in thousands of EUR	*Note*	31 December 2022	31 December 2021
Cash and cash equivalents	*22*	20 612	22 418
Cash and cash equivalents included in assets held for sale		-	2
Bank overdrafts		-17 478	-21 881
Total		**3 134**	**539**

* Bank overdrafts payable on demand that represent a part of financial management of the Group are included within cash and cash equivalents for purposes of Consolidated statement of cash flows.

The notes presented on pages 9 to 93 form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2022

1. Information about the accounting entity

JOJ Media House, a. s. (hereinafter referred to as "the parent company" or "the Company") was established on 26 October 2010 and was registered in the Commercial Register as a joint stock company on 6 November 2010 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sa, file 5141/B) under the identification number 45 920 206. Tax identification number is 2023141945. The Company's address is Brečtanová 1, 831 01 Bratislava, Slovakia.

The Company's share capital is registered in the Commercial Register and is fully paid up.

The Company is not a partner with unlimited liability in other companies.

The consolidated financial statements of the Company as at and for the period from 1 January 2022 to 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate entities and joint ventures.

The main activities of the Group is operating private TV stations, including the sale of media (advertising) space, publishing daily newspapers and the sale of external advertisement spaces (billboards, bigboards, movable "out of home" communication, etc.). The Group operates in Slovak Republic, Czech Republic, Austria and Croatia.

The Company's bodies

Board of Directors	Mgr. Richard Flimel - Chairman
Supervisory board	Mgr. Marcel Grega Ing. Mojmír Mlčoch János Gaál

Information about the parent company of the Group

On 1 February 2013, the structure of JOJ Media House, a.s.'s shareholders has changed in such way that instead of the majority shareholder HERNADO LIMITED, with its registered office in Klimentos, 41 - 43 KLIMENTOS TOWER, 2nd floor, Flat/Office 23, 1061 Nicosia, Cyprus, registration number: 271787 (hereinafter referred to as "HERNADO LIMITED") the new majority shareholder holding 99.90% of shares of the Company became TV JOJ L.P., with its registered office in Klimentos, 41 - 43 KLIMENTOS TOWER, 2nd floor, Flat/Office 21, 1061 Nicosia, Cyprus, registration number: 12128. HERNADO LIMITED, the previous majority shareholder, acts on behalf of the new majority shareholder as its general partner. This transaction has no effect on executing the control over the Company. Other aspects of shareholder structure and control over the Company remain unchanged.

The ultimate owner of HERNADO LIMITED is Mgr. Richard Flimel.

The shareholders of the Company as at 31 December 2022 a as at 31 December 2021 were as follows:

v EUR

	Interest in share capital EUR	**Interest in share capital %**	**Voting rights %**
TV JOJ L.P.	24 975	99,90	99,90*
Mgr. Richard Flimel	25	0,10	0,10
	25 000	**100**	**100**

* HERNADO LIMITED acts on behalf of TV JOJ L.P. as its general partner.

The Company is not included in any other consolidated financial statements.

2. Significant accounting policies

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

b) Basis for preparation

Legal reason for the preparation of the financial statements
The consolidated financial statements of the Company as at 31 December 2022 have been prepared in accordance with the Article 22 of the Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2022 to 31 December 2022.

The consolidated financial statements were prepared using the accrual principle and going concern assumption that the Company will continue in operation for the foreseeable future. (see Note 30 - Risk management).

For the year ended 31 December 2022, the Group recognised a net profit of EUR 1 635 thousand. The net working capital of the Group as at 31 December 2022 amounted to EUR -52 066 thousand. The Group recognises resources in the amount of EUR 35 016 thousand in cash and cash equivalents and unused credit lines available to the Group at the date of preparation of the consolidated financial statements.

The correctness of the going concern assumption depends primarily on the continuous availability of financial resources. the Group has sufficient resources to finance the current operating needs and / or liabilities of the Group companies, which include undrawn credit limits and bonds from the Company's fifth issue designated ISIN SK4000019972, 35 thousand pieces with issue rate 77.43% and total nominal value of EUR 27 101 thousand. As at 31 December 2022, the Group recognises EUR 14 404 thousand of undrawn credit limits and as at the date of preparation of the consolidated financial statements, the Group still holds 13 000 pieces of bonds from the fifth issue with a nominal value of EUR 10 066 thousand. The short-term financial needs of the subsidiaries are also met using overdrafts.

As at 31 December 2022, the Group also recognises loans in the amount of EUR 8 902 thousand as part of short-term loans, for which a contractual extension of the maturity beyond one year was agreed with the financing bank after the reporting date.

The Group also recognises as at 31 December 2022 as short-term issued bonds JOJ Media House 2023 IV. in the amount of EUR 39 999 thousand due on 7 August 2023. Based on current market conditions, the Group's management expects with a high probability that the issued bonds due in 2023 will be partially or fully refinanced by a new bond issue in 2023. The Group is currently negotiating with the intermediary bank about the possible conditions of the new issue. The Group's management is therefore convinced that the above-mentioned factors do not represent events or conditions that may raise serious doubts on going concern of the Group's activities.

The accounting policies applied by the Group in these financial statements were consistent with the accounting policies applied in the financial statements as at 31 December 2021.

The financial statements have been prepared under the historical cost convention while investment property, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss were measured at fair value.

The historical cost is usually based on the fair value of the consideration given in exchanging goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as at the measurement date (i.e. the "exit" price or output price).

2. Significant accounting policies (continued)

Functional currency

The consolidated financial statements are presented in euro (EUR), which is the functional currency of the Company and are rounded to thousands.

The use of estimates and judgments

The financial statements require management to use various judgments, estimates and assumptions to be exercised that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods, which are affected by the revision.

Information about areas with significant uncertainties in estimates and significant judgments in applying accounting policies with the most significant effect on the amounts presented in the financial statements is described in the notes:
14 – Impairment testing of assets,
16 – Right-of-use assets and lease liabilities,
18 – Program rights and accrued internal program rights.

Impairment testing

(i) Goodwill and other intangible assets

On the day of acquisition, the goodwill is allocated to cash-generating units (CGU) which are expected to benefit from the synergies of the business combination.

As at the balance sheet date, the Group considers the potential impairment of goodwill. If no indicator for potential impairment is detected, the Group, in accordance with IAS 36, tests the goodwill recognised in the business combination during the current accounting period and the goodwill reported in the prior accounting periods for potential impairment on an annual basis as at 31 December, i.e., as at the date of the preparation of the consolidated financial statements.

The Group is also testing for impairment other intangible assets with indefinite useful life and CGUs, where the need for such testing was identified. If no indicator of possible impairment is identified, the Group, in accordance with IAS 36, tests the intangible assets with indefinite useful life for potential impairment on an annual basis as at 31 December, i.e., as at the date of the preparation of the consolidated financial statements.

The recoverable amount of such assets is derived from future cash flows estimated by management, updated since the acquisition date. Key assumptions used in this testing are described in Note 14 – Impairment testing of assets. Impairment testing includes use of certain substantial accounting estimates, judgements and assumptions, which are inherently complex and therefore the future actual results may differ from these estimates. Even small changes in these assumptions can have a significant impact on the test result.

(ii) Property, plant and equipment and right-of-use assets

As at the date of preparation of the financial statements, the Group assesses whether the value of the Group's property, plant and equipment has decreased. IAS 36 requires impairment testing of assets if there are internal or external indicators of possible impairment of assets. If any such indication exists, the asset's recoverable amount is estimated. Where the recoverable amount of an asset is the higher of fair value less cost to sell or value in use.

2. Significant accounting policies (continued)

The value in use of the asset is derived from future cash flows estimated by management. Assumptions used when performing the test are listed in Note 14 – Impairment testing of assets. Testing involves using certain fundamental accounting estimates, judgments and assumptions that are inherently complex and may not be consistent with actual results in the future. Even small changes in these assumptions can have a significant impact on the test result.

Depreciation of right-of-use-assets
In case of fixed-term leases with the possibility of exercising the option to extend / terminate the lease, the Group assesses the probability of exercising these options. The assessment shall consider all relevant facts, such as:
- the duration of the contractual relationship with the customer concerning the lease of the right-of-use assets,
- whether the lease is at or below market prices.

In case of leases for an indefinite period, the lease term is derived from the expected useful life of the leased asset, and the Group has considered all relevant facts when estimating the expected useful life of the leased asset.

In leases for an indefinite period, the Group applies the following estimates of the expected useful life of advertising equipment:

- Billboard 5 years
- Citylight 5 years
- Bigboard 7 years
- Backlight 7 years
- LED 10 years

Impairment allowance for accrued internal program rights
The Group assesses the applicability of accruals on a case-by-case basis and makes adjustments to the impairment allowance for accrued internal program rights based on estimates of expected losses and whether the accrued internal program rights are expected to be broadcast. The Group has no current program rights and accrued internal program rights valued measured above the net realisable value. Also, the Group has no non-current program rights and accrued internal program rights valued above the value in use.

International Financial Reporting Standards and the related changes in accounting policies

The following International Financial Reporting Standards, amendments to standards and interpretations adopted by the EU are effective for the accounting period starting 1 January 2022, and have been applied in preparing the Group's consolidated financial statements:

Annual Improvements to IFRS 2018 – 2020, effective for annual periods beginning on or after 1 January 2022.

Amendment to **IFRS 3**, issued in May 2020, which updates the obsolete reference to the Conceptual Framework without significantly changing the requirements of the standard. The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendment to **IAS 16,** issued in May 2020, which prohibits the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating to be deducted from the cost of those items. The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendment to **IAS 37**, issued in May 2020, concerning the costs to be included in assessing whether a contract is onerous. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted.

2. Significant accounting policies (continued)

Standards and interpretations not yet effective and not yet adopted by the European Union

Amendment to **IAS 1** Presentation of Financial Statements. Disclosure of accounting policies, issued in February 2021. The amendment is effective for annual periods beginning on or after 1 January 2023 and should be applied prospectively. Earlier application is allowed. The amendment requires companies to disclose their material accounting policy information rather than significant accounting policies. The amendment also explains how a company should identify material accounting policies.

Amendment **IAS 8** issued in February 2021, effective for annual periods beginning on or after 1 January 2023 and should be applied prospectively. Earlier application is allowed. The amendment is intended to help entities distinguish between changes in accounting policies and changes in accounting estimates and corrections of errors.

Amendment **IAS 12** issued in May 2021, effective for annual periods beginning on or after 1 January 2023. Earlier application is allowed. The amendment relates to the creation of deferred tax in a situation where the initial recognition of a transaction gives rise to both a taxable and a deductible temporary difference, and may relate to temporary differences related to right-of-use assets and lease liabilities.

Issued International Financial Reporting Standards that are not yet effective and have not been adopted by the EU

Amendments to **IFRS 10 and IAS 28** Sale or contribution of assets between an investor and its associate or joint venture. The IASB has not yet determined when the amendment will be effective, but earlier application is permitted. The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:
• a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while
• a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to **IAS 1** Presentation of Financial Statements Non-Current Liabilities with Covenants, effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted. The amendments clarify that the classification of liabilities as current or non-current shall be based solely on the Company's right to defer settlement at the end of the reporting period. The Company's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance.
Only the covenants that the Company must meet on or before the date of preparation of the financial statements, have an impact on the classification of liabilities as current or non-current. However, the amendments require companies to disclose information about these future covenants to help users understand the risk that these liabilities may become due within 12 months from the balance sheet date. The classification is not affected by management's intentions or expectations about whether and when the Company will exercise its right.

Amendments to **IFRS 16** Leases Liability in a Sale and Leaseback. Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively on lease contracts concluded after initial application of IFRS 16. Early application is permitted. Amendments impact how a seller-lessee measures right-of-use asset and lease liability if in a sale-and-leaseback transaction variable lease payments arise.

2. Significant accounting policies (continued)

The amendments confirm the following:
· on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction;
· after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

The lease liability is subsequently reduced by the estimated payments, while the difference from the actual payments is recognised in the profit or loss.

The Group is currently assessing the impact of the above amendments on the Group's accounting policies and financial statements.

Other International Financial Reporting Standards

The Group has not applied any other IFRS standards adopted by EU earlier where adoption is not mandatory as at the balance sheet date. Where transition provisions in adopted IFRS give an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elects to apply the Standards prospectively from the date of transition.

c) Basis for consolidation

i. Business combinations

The Group recognises a business combination using the acquisition method when the set of acquired activities and assets meets the definition of a business and when the Group acquires control of the business. The Group assesses whether the set of acquired activities and assets includes inputs and material processes, and whether the set of acquired activities and assets has the ability to generate outputs. The Group has the option to apply the concentration test to a simplified assessment of whether the acquired set of activities and assets does not constitute a business. The conditions of the concentration test are met if substantially the entire fair value of the acquired gross assets is concentrated in one identifiable asset or group of similar identifiable assets.

The consideration provided using the acquisition method is generally measured at fair value, similar to the acquired net assets. Reported goodwill is tested annually for impairment. The gain on the bargain purchase is recognised in profit or loss immediately. Acquisition-related costs (transaction costs) are recognised as an expense in the period in which they incurred, except for costs related to the issue of debt securities and equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

2. Significant accounting policies (continued)

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when: (i) it has the power to control the relevant activities of the entities that significantly affect their profitability and income, (ii) it is exposed to, or has rights to, variable returns from its involvement with the entity and (iii) it has the ability to affect those returns through its power over the entity. Existence and influence of voting rights, including potential voting rights, should be considered when assessing whether the Group has the control over another entity. For a right to be substantial, an equity holder must have the practical ability to exercise that right at the time when the relevant entity's activities are taken. The Group has control over another entity even though it holds less than half of the voting rights.

In such a case, the Group assesses the size of the voting rights of other investors as compared to their rights as well as the distribution of ownership of these other voting rights to determine whether it has de facto decision-making power over the entity. The protection rights of other investors, such as those relating to significant changes to an entity's activities or those that are applicable only in exceptional circumstances, do not prevent the Group from controlling another entity.

iii. Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets as at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

2. Significant accounting policies (continued)

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vii. Consolidation scope

There are 56 companies included in the consolidation as at 31 December 2022 (2021: 57 companies), out of which 51 companies (2021: 52 companies) were consolidated using the full consolidation method and 5 companies (2021: 5 companies) using the equity method. All consolidated companies prepared their financial statements at 31 December 2022. These companies are listed in Note 35 – Group entities.

viii. Unification of accounting policies

The accounting policies and procedures applied by the consolidated companies in their financial statements were unified in the consolidation and agree with the policies applied by the Parent Company.

d) Foreign currency

i. Transactions in foreign currencies

Transactions in foreign currencies are initially translated into respective functional currencies of individual Group's entities at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into respective functional currencies of individual entities at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated into respective functional currencies of individual entities at the foreign exchange rates ruling at the dates when the relating transactions occurred and are not subsequently retranslated. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into respective functional currencies of individual entities at the foreign exchange rates ruling at the dates the fair values are determined. Foreign exchange differences arising are recognised in current period's profit or loss.

ii. Financial statements of foreign entities

Assets and liabilities of the Group's entities recorded in other currencies than functional currency of the Company (foreign companies) are translated to Euro by the exchange rate valid at the balance sheet date. The goodwill and changes in fair values related to acquisition of new entities are translated in the same way.

Revenue and expenses are translated to Euro by the exchange rate valid as at the date of the accounting transaction. Related exchange rate differences are recognised into equity.

Exchange rates announced by the European Central Bank are used for translation of foreign currencies.

With the loss of control in a foreign subsidiary, significant influence in a foreign associate, or joint control in a foreign jointly controlled entity, exchange rate differences previously recognised in equity are reclassified to profit or loss as part of a gain or loss on the sale of the entity.

2. Significant accounting policies (continued)

When the Group sells a part of a foreign subsidiary without a loss of control, a proportional part of exchange rate differences recognised in equity is transferred to non-controlling interest.

When the Group sells a part of a foreign associate or a foreign jointly controlled entity without a loss of significant influence or joint control, a proportional part of exchange rate differences recognised in equity is transferred into profit or loss.

e) Property, plant and equipment (non-current tangible assets)

i. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (refer to accounting policy under note e) iii.) and impairment losses (refer to accounting policy under note m)).

Acquisition cost consists of the price at which an asset has been acquired plus costs related to acquisition. The cost of self-constructed assets includes the cost of materials, direct labour, costs of dismantling and removing the items and restoring the site on which they are located and relating production overhead costs. Borrowing costs are included in the acquisition cost of the qualifying asset.

Acquisition costs related to the replacement of the part of the property, plant and equipment is recognised in the assets' carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be reliably measured. The carrying amount of the replaced part is derecognised.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent expenditure

Subsequent expenditure is capitalised if it is probable that the future economic benefits will flow to the Group and its cost can be measured reliably. All other expenditures including regular repair and maintenance of property, plant and equipment are recognised in the profit or loss as an expense as incurred.

iii. Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land and acquisition of property, plant and equipment is not depreciated.

Estimated useful lives are as follows:

• Buildings and structures	20 to 37 years
• Bigboards and other advertising equipment	
Bigboards and other advertising equipment	10 to 30 years
Electronic advertising equipment	4 to 5 years
Technological installation	7 to 10 years
Digital advertising equipment	5 to 10 years
• Machines, tools and equipment	
Vehicles	4 to 5 years
Other	3 to 6 years

2. Significant accounting policies (continued)

Depreciation methods, useful lives, as well as residual values, are reassessed annually as at the balance sheet date.

Each part of an item of property, plant and equipment (component) with a cost that is significant in relation to the total cost of the item is depreciated separately. Significant components of property, plant and equipment with similar useful lives and depreciation method are grouped together when determining the depreciation rate.

iv. Gains and losses from sale of property, plant and equipment

Gains and losses from sale of property, plant and equipment are determined by comparison of proceeds from sale decreased by costs related to sale and carrying accounting value of property plant and equipment as at the date of sale. Gains and losses from sale of property, plant and equipment are recognised in profit or loss.

f) Non-current intangible assets

i. Goodwill

Goodwill is measured as the acquisition cost less cumulative impairment losses (see accounting policy m)).

Goodwill from acquisition of subsidiaries is recognised as a separate item in the statement of financial position of the Group. Goodwill from acquisition of associates and jointly controlled entities is part of carrying value of Group's investments in these entities.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii. Other intangible assets

Other intangible assets include assets acquired in business combinations (e.g. televisual format, trademark and contractual relationships) and software. Intangible assets acquired in a business combination are recorded at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. These assets are carried at cost less accumulated amortisation (see accounting policy f) iv.) and cumulative impairment losses (see accounting policy m)).

iii. Subsequent expenditure

Subsequent expenditures are recognised in the carrying amount of intangible assets only when it is probable that the future economic benefits embodied will flow to the Group. All other expenditures including the costs for internally generated goodwill and trademark are recognised in the profit or loss as incurred.

iv. Amortisation

Amortisation is charged to profit or loss on a straight-line basis (with the exception of televisual format, which is amortised non-straight-line based on its future expected economic benefits) over the estimated useful lives of intangible assets, from the date the asset is available for use.

Useful lives are usually firmly set. Intangible assets with an indefinite useful life are not subject to amortisation and are annually tested for impairment. Their useful life is also reassessed as at balance sheet date in order to evaluate whether the existing conditions still support the indefinite useful life assumption. Goodwill is not subject to amortisation but is tested annually for impairment.

2. Significant accounting policies (continued)

The estimated useful lives are as follows:

- Contractual relationships — 7 years
- Televisual format[1] — 42 years
- Other intangible assets - software and others — 2 to 7 years
- Trademark — indefinite useful life

The useful lives of televisual format, contractual relationships and trademark have been specified by an independent third party when determining the fair value of assets at acquisition of subsidiaries. The estimated useful life of televisual format reflects the time frame of the target audience that was set at the date of the acquisition between the age of 12 and 54, assuming that in 42 years the preferences of the audience will change to other forms of media. The Group is reviewing the useful life and believes that the expected useful life of 42 years is still up to date even in the current conditions. The useful life of the trademark reflects the period during which the economic benefits will flow to the Group. Since the Group is determined to use their logo, slogan and complete trademark, the Group together with an independent third party decided at the determination of fair values of assets at the acquisition of the companies that useful life of trademark will be indefinite.

Amortisation methods and useful lives, as well as residual values, are reassessed as at the balance sheet date and adjusted if appropriate.

g) Investment property

Investment property is property which is held by the Group with the intention of earning an income, either through rental income or through long-term increase in value of the property. Investment property is neither used in the production process or for administrative purposes nor sold within the scope of regular business activities of the Group.

Investment property is recognised at fair value which is determined by an independent valuer or management. Fair value is determined based on current prices of similar asset offered in an active market within the same location and the same conditions. If there are no current prices available, the generally applicable valuation model such as revenue technique is used. Profits and losses arising from changes in fair value related to valuation of investment property are recognised in the profit or loss.

Investment property is considered to be acquired when the Group acquires all significant risks and benefits related to the ownership. Investment property is considered to be derecognised when all the risks and benefits are transferred on a buyer. Gains or losses on the disposal of investment properties are the difference between the disposal proceeds of the investment property, less disposal costs and carrying amount of the asset as at date of disposal. Gains or losses on the disposal of an investment property are recognised in the profit or loss.

Revenue from lease of investment property is recognised as defined in the accounting policy s).

h) Program rights

Program rights represent acquired titles of foreign and domestic movies and TV series where the Group obtained a right to use these titles in its broadcasting from the original holder of the rights for an agreed period. These include the right to create language versions to acquired titles, using the language appropriate to the broadcasting of the Group's station.

[1] Televisual format represents the content of the television broadcasting and strategy by which this content is chosen and subsequently its perception from the point of view of television viewer.

2. Significant accounting policies (continued)

i. Non-current program rights

Non-current Program rights are carried at cost. These Program rights are effective after one year from the balance sheet date. Non-current Program rights are amortised based on the number of runs. Percentage amount of amortisation was set by management based on the historical experience in the TV broadcasting and represents period during which the Program rights generate economic benefits. In case of two runs, 80% of cost is amortised after the first and 20% after the second run. In case of three and more runs, 60% of the cost is amortised after the first, 30% after the second and 10% after the third run.

Program rights for acquired titles that have limited validity and ran through paid channels where management estimates their broadcasting more than 30 times are amortised on a straight-line basis during the period the Program rights are valid.

There are several situations that lead to a downward value adjustment to Program rights. These include the Programs that will not be broadcasted as the relating rights are nearing their expiry date, the Programs with inappropriate content and the carrying amount of Programs broadcasted once, but their other runs will be broadcasted in times with a low potential to generate commercial revenue.

ii. Current program rights

Current Program rights are carried at cost. These Program rights are effective, or they will start to be effective within one year from the balance sheet date. Current Program rights are amortised in the same way as non-current Program rights, see Note h) i.).

The downward value adjustment to current Program rights is carried out in the same way as the impairment allowance for non-current Program rights, see Note h) i.).

iii. Program rights write-off

Program rights that will expire before their broadcast are written-off through the profit or loss.

2. Significant accounting policies (continued)

i) Accrued internal program rights

Internal program rights represent the Group's own production of television series, movies, sitcoms, documentaries, reality shows, news coverage and programs focused on different topics (e.g. living, cooking, entertainment, etc.). Internal programs include also dubbing and subtitles of foreign movies and television series.

Internal program rights are recognised in the amount of direct costs of production and are amortised based on the number of broadcasted runs. Direct costs are costs which are interrelated with a production such as fees for actors, hosts, directors, script editors, screenwriters, cameramen, film producers, technicians, costs for stage setting, props, costumes, licenses, rent of premises for broadcast production and other costs related to outsourced works and services.

The percentage of amortisation was determined by management based on historical experience in the television broadcasting sector and corresponds with a period during which the program rights generate economic benefits. In the case of two runs, 80% of cost is amortised after the first and 20% after the second run. In case of three runs, 60% of the cost is amortised after the first, 30% after the second and 10% after the third run.

In case of five runs, 60% of the cost is amortised after the first, 10% after the second to the fifth run.

The value of internal program rights is decreased by program titles that will not be broadcasted due to an inappropriate content orientation or by the carrying amount of programs broadcasted once, but their other runs will be broadcasted in time with low potential to generate advertising revenue. In case of programs that will not be rerun in four years after the end of the last episode of the broadcast premiere, the entire carrying value of the program (format or show) is written off as an expense.

From the nature of internal program rights the licensing period starts immediately after their production, and therefore they are recognised as current assets in the Consolidated statement of financial position of the Group, except for situations when Group's management expects that internal program rights will be broadcasted not earlier than one year after the reporting date.

2. Significant accounting policies (continued)

j) Financial instruments

Financial assets

The Group classifies financial assets as measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on both:
a) the Group's business model for managing the financial assets, and
b) the contractual cash flow characteristics of the financial asset.

Financial assets carried at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:
a) the asset is held within a portfolio with a business model whose objective is to hold assets in order to collect the contractual cash flows, and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are recognised in the consolidated statement of financial position within trade receivables and other receivables, loans granted, cash and cash equivalents and cash which is not fully available for the Group's use.

Financial assets carried at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
a) the asset is held within a business model whose objective is achieved by collecting the contractual cash flows as well as selling financial assets, and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group applied an irrevocable election at initial recognition, for particular investments in equity instruments that are not held for sale and that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value including exchange rate gains and losses in other comprehensive income.

Such financial assets are recognised in the consolidated statement of financial position within other financial assets as equity securities carried at fair value through other comprehensive income.

Debt securities within financial asset are measured at fair value through other comprehensive income, if they are held within a business model whose objective is achieved by collecting the contractual cash flows as well as selling financial assets. The Group does not hold any such debt securities.

Financial assets carried at fair value through profit or loss

If the financial asset is not measured at amortised cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss. Financial assets at fair value through profit or loss are those held by the Group for trading in order to obtain short-term gains and derivative financial instruments. Such financial assets are recognised within other financial assets in the consolidated statement of financial position.

The Group uses derivative financial instruments to hedge against risks arising from its operating, financing and investing activities. In accordance with the financial policy, the Group does not hold, nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

2. Significant accounting policies (continued)

Financial liabilities

Financial liabilities are classified in one of the following categories: financial liabilities carried at fair value through profit or loss or carried at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss represent financial liabilities held for trading, including derivative financial instruments. Derivative financial instruments are recognised within trade and other financial liabilities in the statement of financial position of the Group.

The Group is using derivative financial instruments to hedge against risks arising from operating, financing and investing activities. In accordance with the financial policy of the Group, the Group does not hold, nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by the EU, they are treated as trade instruments.

Financial liabilities carried at amortised cost

Financial liabilities carried at amortised cost are various financial liabilities not carried at fair value through profit or loss. Such financial liabilities are recognised in the statement of the financial position within bank loans, interest-bearing borrowings, bonds issued and trade and other financial liabilities.

i. Initial recognition of financial instruments

Financial asset carried at fair value through profit or loss and financial asset carried at fair value through other comprehensive income are recognised as at the date that Groups commits to purchase them. Regular purchases and sales of these financial instruments are recognised as at the trading date. Financial assets carried at amortised cost are recognised as at the date of acquisition.

Financial liabilities are initially recognised as at their inception.

ii. Measurement of financial instruments

Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income are initially carried at fair value including costs related to acquisition. Subsequently, they are carried at fair value, gains and losses from the change in fair value are recognised directly within other comprehensive income in equity.

For equity securities carried at fair value through other comprehensive income, all exchange rate gains and losses are recognised within other comprehensive income in equity. The change in the fair value and the net gain/loss from the sale are not recognised in the profit or loss but in other comprehensive income. The gains and losses can be reclassified within equity from the revaluation fund to retained earnings at the time of sale. Only dividends are recognised in the profit or loss.

When fair value cannot be reliably measured and acquisition costs represent the best fair value estimate, equity securities carried at fair value through other comprehensive income are recognised in the amount of acquisition costs.

Interest income from debt securities carried at fair value through other comprehensive income is calculated using the effective interest rate method and is recognised in profit or loss. All exchange rate gains and losses and impairment losses are recognised in profit or loss. The gains and losses arising from the change in the fair value of debt securities are reclassified from other comprehensive income to profit or loss at the time of sale.

2. Significant accounting policies (continued)

Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially carried at fair value without costs related to acquisition. Subsequently, they are carried at fair value, gains and losses from the change in fair value as well as interest income and dividends are recorded through profit or loss. All costs associated to transactions are recognised in profit or loss.

Financial assets carried at amortised cost

Loans and receivables are initially recognised at the fair value including directly attributable transaction costs. Subsequently they are measured at amortised cost less impairment allowances, using the effective interest rate method (see accounting policy m)).

Trade and other receivables are initially measured at nominal value. Receivables are decreased by impairment allowances (see accounting policy m)).

Interest income and exchange rate gain or loss are recognised in profit or loss. Gain or loss incurred during derecognition of a financial asset is recognised in the profit or loss.

Financial liabilities carried at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at their fair value. After initial recognition, they are measured at fair value. Gains and losses, as well as interest expenses are recorded through profit or loss. All costs related to transactions are recorded through profit or loss.

Financial liabilities carried at amortised cost

Bank loans, interest-bearing borrowings and issued bonds are initially recognised at fair value decreased by related transaction costs. In subsequent periods they are recognised in the statement of financial position of the Group in amortised cost. Difference between this amount and the amount in which loans, borrowings and issued bonds are repaid, is recognised as expense in profit or loss using effective interest rate method.

Trade and other financial liabilities are initially recognised at nominal value, at the time of their take over are valued at acquisition costs.

iii. Offset of financial instruments

Financial assets and financial liabilities are offset in the statement of financial position of the Group and only net amount is recognised when the Group has legally enforceable right to offset the amounts and an intention exists to settle the transactions based on their net amount.

iv. Derecognition of financial instruments

Financial asset is derecognised when:

a) the asset is repaid or the rights to cash flows from the investment are terminated, or,
b) the Group transfers the rights to cash flows from the investment or enters into a transfer agreement, thereby (i) in principle the Group transfers all the risks and potential gains associated with ownership; or (ii) the Group does not transfer all the risk or potential gains, leaving no control over the investment. The Group will retain control if the counterparty does not have a real possibility to sell the asset as a whole to an unrelated third party without additionally restricting sales.

2. Significant accounting policies (continued)

Financial liabilities are derecognised when the obligation of the Group specified in the contract ceases to exist, is settled or cancelled.

Difference between carrying amount of derecognised financial asset and consideration paid is recognised through profit or loss.

k) Other assets

Other assets are other non-financial assets (not described elsewhere) carried initially at their nominal value and inventory (see also accounting policy l)).

l) Inventory

Inventory items are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The cost of inventory is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventory.

m) Impairment

i. Financial assets

The Group recognises impairment loss of expected credit loss, ("ECL") for:
a) financial assets measured at amortised cost,
b) debt securities measured at fair value through other comprehensive income, and
c) contractual assets.

The Group measures impairment allowances in the amount that equals to the expected credit losses over the whole lifetime (lifetime ECL), except for non-current loans provided and deposits in banks by which the credit risk (i.e. a default risk over the expected lifetime of a financial asset) did not change significantly since their initial recognition. These impairment losses are measured at 12-month ECL.

The impairment allowances for trade receivables and contractual assets are always measured at lifetime ECL.

In assessing whether the credit risk of a financial asset has significantly increased since initial recognition and in estimating ECL, the Group uses reasonable and substantiated information that is relevant and available without undue cost or effort. It includes quantitative and qualitative information and analysis, based on the Group's past experience and informed credit evaluation, including the information about future.

The Group expects that the credit risk of a financial asset increases, if it is more than 30 days overdue.

The Group considers a financial asset to be defaulted when:
a) it is not probable that a debtor will pay its credit obligations to the Group in full, without using the collateral (if any); or
b) financial asset is more than 90 days overdue.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

2. Significant accounting policies (continued)

12-month ECLs are ECLs that result from all possible default events within 12 months after the reporting date (or a shorter period when expected lifetime of a financial asset does not exceed 12 months).

The maximum period over which ECL should be measured is the maximum contractual period over which the Group is exposed to a credit risk.

Measurement of ECL's
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted using the effective interest rate of the financial asset.

Impaired financial asset
The Group's financial assets measured at amortised cost and debt securities measured at fair value through other comprehensive income are reviewed as at each reporting date to determine whether there is any indication of impairment. If any such indication, causing the negative impact on the future estimated cashflows of a financial asset exists, the financial asset is impaired.

Observable indicators of impairment of a financial asset (decreased credit risk):
a) significant financial difficulties of the debtor or issuer;
b) breach of the contract, e.g. payment delay or more than 90 days overdue;
c) restructuralisation of a loan or an advance payment by the Group upon conditions that would otherwise not be accepted by the Group;
d) it is probable, that debtor enters into liquidation or other financial reorganisation; or
e) termination of an active stock market due to financial difficulties.

Levels of impairment of loans and bank deposits
Level 1 - ECL on the day the loan is granted or purchased and the deposit made (12-month ECL). Interest income is calculated from the gross carrying amount of financial assets (i.e. without deduction of ECL).
Level 2 - if the credit risk of a financial asset has increased significantly since initial recognition and is not considered a low risk, lifetime ECLs are recognised. The calculation of interest income is the same as for Level 1.
Level 3 - if the credit risk of a financial asset increases to the point where it is considered to be 'impaired', interest income is calculated based on the net book value of the financial asset (i.e. the gross book value less impairment allowances). Lifetime ECLs are recognised as for Level 2.

Presentation of impairment loss to ECL in the statement of financial position
Impairment allowances for financial assets measured at amortised cost are deducted from the gross amount of financial assets.

Impairment allowances for debt securities measured at fair value through other comprehensive income are recognised in profit or loss and are disclosed in other comprehensive income.

Impairment allowance is reviewed as at each reporting date.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventory (see accounting policy l)), deferred tax asset (see accounting policy v)), are reviewed as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

2. Significant accounting policies (continued)

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested annually for impairment as part of the relating cash generating unit (CGU).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its net realisable value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Group and its environment. When an asset is not generating cash flows that are sufficiently independent, its recoverable amount is determined for the CGU where it belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. An impairment loss and its reversal are presented in the profit or loss as a decrease or an increase in the non-current assets value.

Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses from previous periods are reassessed as at each balance sheet date to ascertain whether there are factors indicating the impairment loss decreased or ceased to exist. The loss is reversed if the assumptions used to estimate recoverable amount change. Impairment loss can be reversed or decreased to the extent so that the carrying amount would not exceed the carrying amount, net of depreciation and amortisation, if no impairment loss had been recognised. In case of goodwill, the impairment loss cannot be decreased (reversed).

n) Provisions

A provision is recognised if the Group has a present legal or constructive obligation as a result of a past events and it is probable that in the settlement of this obligation an outflow of economic benefits and this outflow can be reliably measured.

o) Employee benefits

The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement. The amount of benefit is dependent on one or more factors such as age, years of service and salary.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity or to the Government. The Group has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group had created expectations on the part of its employees that it will continue to provide the benefits and it is management's judgement that it is not probable that the Group will cease to provide them.

The liability recognised in the Consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation as at the reporting date.

2. Significant accounting policies (continued)

The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by (a) discounting the estimated future cash outflows using interest rates of high quality government or corporate bonds which have terms to maturity approximating the terms of the related pension liability and (b) then attributing the calculated present value to the periods of service based on the plan.

Actuarial gain and loss arising from experience adjustments and changes in actuarial assumptions are immediately recognised in the period when incurred, and are presented through other comprehensive income. Interest expenses are recognised in profit or loss within interest expenses.

The Group makes pre-determined contributions to government and private contribution pension plans.

The Group makes contributions to the health, sickness, retirement, accidental and guarantee insurance and unemployment schemes at the statutory rates in force during the year based on gross salary payments.

p) Contractual liabilities

Contractual liabilities represent the Group's obligations to transfer goods or services to a customer for which the Group has already received consideration from the customer. Contractual liabilities are recognised within other liabilities in the consolidated statement of financial position.

q) Other liabilities

Other liabilities represent liabilities from the employee's benefits (see accounting policy o)), contractual liabilities (see accounting policy p)) and other non-financial liabilities (with no further disclosures in the notes) that are valued upon recognition at their nominal value.

r) Leases

Lessee

At inception of a contract, the Group assesses whether the contract is a lease or contains a lease. The contract is a lease or contains a lease if:

- an identifiable asset exists,
- a lessee has the right to obtain substantially all economic benefits from use of the asset,
- a lessee has the right to direct use of the assets.

Lease term

The Group, as the lessee, designates the lease term as the non-cancellable lease term along with:

a) the periods covered by the lease renewal option, if it is reasonably certain that the lessee will exercise the option; and

b) the periods to which the lease termination option applies when it is reasonably certain that the lessee will not exercise that option.

In case of lease contracts for land under advertising equipment concluded for an indefinite period, the Group assessed and determined the following land lease periods according to the types of advertising equipment located on them:

a.	Billboard	5 years
b.	Citylight	5 years
c.	Bigboard	7 years
d.	Backlight	7 years
e.	LED	10 years

2. Significant accounting policies (continued)

In case of lease contracts for land under advertising equipment concluded for a definite period, the average lease term is 2 to 15 years.

Initial valuation
The Group, as the lessee, recognises the right-of-use assets and the lease liability at the commencement date of the lease.

The Group as the lessee uses two exemptions allowed by IFRS 16:
- leases with a lease term of 12 months or less and containing no purchase options,
- small-ticket leases, where a low-value lease is an asset less than EUR 5,000 and the value of the asset is assessed based on the value of new asset, regardless of the age of the asset being rented.

Based on the Group's assessment, the lease of the property listed below does not constitute a lease in accordance with IFRS 16:
- contracts for the lease of space on the facades / walls of buildings, where the landlord may, for the contract term, determine which of the several advertising spaces is available to the tenant,
- contracts where contract fee represents a municipal charge and not a lease,
- transport companies contract for the lease of areas and space on means of transport and other areas owned by transport companies.

The rent for these leases is recognised in profit or loss on an ongoing basis as it arises.

Right-of-use assets are initially valued at the purchase price, which includes:
a) the amount of the initial measurement of the lease liability,
b) all lease payments made before or on the commencement date, less any lease incentives received;
c) all initial direct expenses incurred by the lessee,
d) an estimate of the costs incurred in dismantling and removing the underlying assets and in restoring the site where they are located or in restoring the underlying assets to the condition required under the terms of the lease.

The lease liability is measured at the date of commencement of the lease at present value of the outstanding lease payments. Lease payments are discounted using the implicit interest rate if this rate can be easily determined. If this rate cannot be easily determined, the Group uses the incremental borrowing rate for loans. As the Group cannot assess the implicit interest rate, the Group uses the incremental borrowing rate for loans to calculate the amount of the lease liability. The Group regularly reassesses the amount of this rate and applies one discount rate to the portfolio of leases and similar characteristics such as the lease of the underlying assets in a similar economic environment.

At the lease commencement date, the lease payments included in the measurement of the lease liability consist of the following payments for the right-of-use assets over the lease term outstanding as at the lease commencement date:
a) fixed instalments less all receivables in the form of incentives,
b) index-dependent variable instalments,
c) the amounts the lessee is expected to have to repay as part of the residual value guarantees,
d) the exercise price of the call option, if it is sufficiently certain that the lessee will exercise the option.

Individual instalments are included in the calculation of the lease liability measurement without considering value added tax. Variable payments that do not depend on the index, but for example on the volume of sales, are not included in the measurement of the lease liability and are recognised in profit or loss on an ongoing basis as they arise.

Subsequent valuation
Right-of-use assets are subsequently measured by the cost model, i.e. it is measured at cost less accumulated depreciation and any accumulated impairment losses (see accounting policy m)) and adjusted for any revaluation of the lease liability.

2. Significant accounting policies (continued)

Right-of-use assets are depreciated over the shorter of the duration of the lease or the useful life of the underlying assets. If the lease involves the transfer of ownership of the underlying assets to the lessee at the end of the lease, the right-of-use assets are depreciated over the useful lives of the underlying assets. Depreciation is recognised in profit or loss on a straight-line basis.

The lessee applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to recognise any impairment loss.

Any subsequent reassessment / revaluation of the lease liability shall also be taken into account in the amount of the right-of-use assets, and if this change causes the value of the right-of-use asset to decrease to zero and the measurement of the lease liability is further decreased, the lessee shall recognise any remaining amount of the revaluation in profit or loss.

The lease liability is subsequently increased by accrued and unpaid interest on the lease liability (discount) and decreased in such a way as to reflect the lease payments made.

When the lease terms change, the lease liability is revalued to reflect these changes and any revaluation of the lease. If there is a change in the lease term or there is a change in the assessment of the option to purchase the underlying asset, the revised instalments are discounted using the revised discount rate. The lessee shall determine the revised discount rate as the implicit interest rate for the remainder of the lease term, and if this rate cannot be reliably determined, the Group will use the incremental borrowing rate of the loan. In the event of any further changes, the Group discounts the revised instalments using the original discount rate used in the initial measurement of the lease liability.

If the revaluation of the lease obligation reflects the partial or complete termination of the lease, a proportionate portion of the right-of-use asset and a proportionate amount of the lease liability are derecognised to profit or loss.

The Group, as a lessee, recognises a change in a lease as a separate lease if both of the following conditions are met:
a) the change increases the scope of the lease by adding the right-of-use to one or more of the underlying assets; and
b) the consideration for the lease is increased by an amount corresponding to the separate price of the increase in the extent of right-of-use of the underlying assets.

Lessor

The Group classifies each of its leases as operating leases.

The Group recognises operating lease income on a straight-line basis. The initial cost of acquiring the underlying assets is included in the carrying amount of the asset and is amortised on a straight-line basis over the lease term. Underlying assets that are the subject of a lease are depreciated to profit or loss in accordance with the group policy for depreciation of similar assets.

s) Revenue from services

The Group recognised revenue from contracts with customers, when it is probable that future economic benefits will flow into Group and will be reliably measured. The Group recognises mainly revenue from the sale of external advertising space (billboards, bigboards, transport “out of home“ communication etc.), from the sale of media advertising space (TV, radio and newspapers), from the sale of retransmission services and Program services and revenue from the sale of newspapers.

Revenue is recognised in the period when the advertisement was broadcasted or published, the service was provided and the newspaper was sold. Revenue is accrued during the period over which the service was provided. Deferred revenue is recognised as contractual liabilities (see accounting policy p)).

2. Significant accounting policies (continued)

Issued invoices are usually due within 8 – 60 days. Advance payments received from the customers are recognised as contractual liabilities (see accounting policy p)).

Revenue from leasing is recognised evenly over the duration of the lease.

Revenue from services does not carry the value added tax. It is also decreased by discounts and rebates (bonuses, credit notes, etc.).

Remaining performance obligations are recognised using a practical expedient according to IFRS 15. The Group does not disclose information on contracts with original maturity one year or less.

t) State aid

State aid for costs incurred to the Group are systematically recognised in the consolidated statement on the comprehensive income as other operating income in the periods in which the relevant costs are recognised. If the conditions for obtaining a subsidy are met only after the period in which the related costs were recognised, government subsidies are recognised at the time the receivable arises.

u) Interest expenses and interest income

Interest income and expenses are recorded in the profit or loss in the period they relate to. Interest income and expenses include amortisation of all premiums, discounts or other differences between the initial accounting value of the interest-bearing instrument and its value at the time of its maturity. This is calculated using the basis of effective interest rate.

v) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items directly recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is presented in the statement of financial position, providing for the temporary differences between the carrying amounts of assets and liabilities and the amounts used for tax purposes. Deferred tax does not apply to the following temporary differences: initial recognition of assets and liabilities from transaction which is not a business combination and that effect neither accounting or tax profit or loss, differences related to investments in subsidiaries in which it is probable that these will not be settled in the foreseeable future. Deferred tax is not recognised also for taxable differences arising from initial recognition of goodwill. Deferred tax is calculated using rates that are expected to be effective when the temporary differences will be realised. These are either based on enacted or substantially enacted rates as at the balance sheet date.

Deferred tax asset and liability are offset, if there is legally enforceable right to offset current tax liability and asset and these relate to the same tax authority and the same tax subject, or relate to different tax subjects but they intend to settled tax assets and liabilities net or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which temporary differences can be utilised. Deferred tax assets are assessed as at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Significant accounting policies (continued)

w) Fair value estimates

In determining the fair value of assets and liabilities, the Group uses market (observable) inputs whenever possible. If the market is not active, the fair value of assets and liabilities is determined using the valuation techniques. When applying valuation techniques, the estimates and assumptions are used, that are consistent with available information on estimates and assumptions and that would be used by other market participants in price determination.

Based on inputs used to determine the fair value of assets and liabilities, different levels of fair value were defined:
Level 1: listed market prices (not adjusted) in active markets for identical assets and liabilities
Level 2: inputs other than listed prices in Level 1 which are observable for the assets or liabilities, either directly (e.g. as prices) or indirectly (e.g. derived from prices) and are listed on non-active markets for identical items of assets and liabilities.
Level 3: inputs for assets and liabilities that are not based on observable market inputs (unobservable inputs).

The main methods and assumptions used to estimate the fair value of financial assets and liabilities listed in the Note 31 – Fair value information are described below.

i. Loans granted

Fair value of granted loans is determined using the estimated future discounted cash inflows from repaid principal and interest. When estimating future cash flows, default risk as well as the conditions indicating impairment were considered. Estimated fair values of granted loans represents changes in the loan valuation from the moment when they were provided as well as changes in the interest rates in the case of loans bearing fixed interest rates.

ii. Bank loans, interest-bearing loans and borrowings and issued bonds

The fair value of loans and borrowings without specified maturity is determined as a sum of liabilities payable as at the reporting date. The fair value of loans, borrowings and issued bonds with agreed maturity is determined based on the discounted future cash flows using interest rates offered for loans and borrowings with similar maturities.

iii. Trade financial receivables / payables, other financial assets / liabilities and lease liabilities

For trade receivables and liabilities and other financial assets and liabilities, it is assumed that their nominal value represents their fair value. For lease liabilities (IFRS 16), fair value does not have to be disclosed.

x) Assets held for sale

If the carrying amount of non-current assets (or assets and liabilities included in the group of assets held for sale) is expected to be realised mainly through its sale and not its use, these assets are classified as assets held for sale.

Immediately before the initial classification of the asset as held for sale (or assets and liabilities included in the group of assets held for sale), the carrying amount of the asset is restated in accordance with applicable IFRS EU.

Subsequently to the initial classification as held for sale, non-current assets or group of assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

2. Significant accounting policies (continued)

Any impairment losses of a group of assets held for sale are initially allocated to goodwill and then in a proportionate way to other assets and liabilities, except for inventories, financial assets and deferred tax asset, which are further recognised in accordance with the Group's accounting policies.

y) Operating segments

Operating segments are parts of the Group able to earn revenue and incur expenses, whose operating results are regularly reviewed by the Group’s chief operating decision makers when they are allocating resources and measuring the performance and for which financial information is available. The Company’s management considers the following operating segments: “Media Slovakia“, “Media Czech Republic”, “Media Austria” and “Media Croatia”.

3. Segment information

Intra-segment elimination is presented in a separate column. Prices used between segments were set on an arm’s length principle for similar services and financing.

Information about significant customers
The Group does not have revenue from one customer which would exceed 10% of its total revenue.

Additional segment information
Expenses and revenue in the consolidated statement of profit or loss and other comprehensive income for newly acquired subsidiaries are included since their acquisition date, for companies sold during the period are included until the date of sale.

3. Segment information (continued)

Information on operating segments – Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

in thousands of EUR	**Media Slovak Republic**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Revenue from the sale of merchandise and services	110 823	67 831	30 066	10 204	*-1 604*	217 320
Other operating income	889	1 081	961	83	-	3 014
Total operating income	**111 712**	**68 912**	**31 027**	**10 287**	***-1 604***	**220 334**
Personnel expenses	-14 602	-6 812	-6 985	-4 363	-	-32 762
Production and impairment costs of TV and radio broadcasting programs	-35 489	-1 542	-	-	*1 389*	-35 642
Use and write-off of program rights	-12 728	-1 024	-	-	-	-13 752
Posting, printing and removal of advertising	-2 672	-5 581	-4 677	-	*23*	-12 907
Depreciation, amortisation and impairment of non-current assets	-12 998	-14 570	-7 572	-377	-	-35 517
Other operating expenses	-21 054	-30 433	-12 237	-4 954	*187*	-68 491
Total operating expenses	**-99 543**	**-59 962**	**-31 471**	**-9 694**	***1 599***	**-199 071**
Profit / (loss) from operating activities	**12 169**	**8 950**	**-444**	**593**	**-5**	**21 263**
Exchange rate gain / (strata), net	-811	56	-	-9	*5*	-759
Interest expenses, net	-6 735	-9 345	-356	-133	-	-16 569
Profit / (loss) from financial instruments, net	81	549	-61	-	-	569
Loss from associates and joint ventures	-	-2	-	-	-	-2
Other financial expenses, net	-138	-50	-13	-25	-	-226
Profit / (loss) before tax	**4 566**	**158**	**-874**	**426**	**-**	**4 276**
Income tax	-2 318	-10	-234	-79	-	-2 641
Profit / (loss) for the period	**2 248**	**148**	**-1 108**	**347**	**-**	**1 635**
Other comprehensive income, after tax	**-**	**425**	**44**	**-9**	**-**	**460**
Foreign currencies translation differences	-	425	-	-9	-	416
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)	-	-	44	-	-	44
Total comprehensive income for the period	**2 248**	**573**	**-1 064**	**338**	**-**	**2 095**

3. Segment information (continued)

Information on operating segments – Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021

in thousands of EUR	**Media Slovak Republic**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Revenue from the sale of merchandise and services	110 510	66 873	26 597	10 230	*-1 809*	212 401
Other operating income	3 327	1 239	2 916	125	-	7 607
Total operating income	**113 837**	**68 112**	**29 513**	**10 355**	***-1 809***	**220 008**
Gain on bargain purchase	196	-	-	-	-	196
Personnel expenses	-13 559	-5 059	-6 501	-4 386	-	-29 505
Production and impairment costs of TV and radio broadcasting programs	-33 578	-1 723	-	-	*1 561*	-33 740
Use and write-off of program rights	-12 845	-900	-	-	-	-13 745
Posting, printing and removal of advertising	-2 217	-4 235	-4 325	-	*38*	-10 739
Depreciation, amortisation and impairment of non-current assets	-14 207	-15 743	-7 018	-371	-	-37 339
Other operating expenses	-24 701	-26 699	-11 241	-4 242	*169*	-66 714
Total operating expenses	**-101 107**	**-54 359**	**-29 085**	**-8 999**	***1 768***	**-191 782**
Profit / (loss) from operating activities	**12 926**	**13 753**	**428**	**1 356**	***-41***	**28 422**
Exchange rate gain / (strata), net	-1 109	242	-	-6	*45*	-828
Interest expenses, net	-8 428	-7 006	-480	-137	-	-16 051
Profit / (loss) from financial instruments, net	58	-1 836	-2	-	-	-1 780
Other financial expenses, net	-432	-68	-16	-27	-	-543
Profit / (loss) before tax	**3 015**	**5 085**	**-70**	**1 186**	***4***	**9 220**
Income tax	-2 161	-2 011	-17	-202	-	-4 391
Profit / (loss) for the period	**854**	**3 074**	**-87**	**984**	***4***	**4 829**
Other comprehensive income, after tax	**-200**	**321**	**18**	**14**	**-**	**153**
Foreign currencies translation differences	-	646	-	14	-	660
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)	-200	-325	18	-	-	-507
Total comprehensive income for the period	**654**	**3 395**	**-69**	**998**	***4***	**4 982**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2022

in thousands of EUR	**Media Slovak Republic**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Assets						
Goodwill	3 394	6 856	-	1 904	-	12 154
Televisual format	58 822	-	-	-	-	58 822
Other non-current intangible assets	2 730	4 004	3 956	607	-	11 297
Program rights	17 079	810	-	-	-	17 889
Accrued internal program rights	32 033	81	-	-	-	32 114
Property, plant and equipment	24 288	31 954	16 928	5 208	-	78 378
Investment property	-	216	-	-	-	216
Right-of-use assets	16 033	66 693	17 978	190	-	100 894
Investment in associates and joint ventures	58	739	-	-	-	797
Trade and other receivables	20 984	12 686	1 006	1 288	*-1 125*	34 839
Other financial assets	-	19	359	-	-	378
Loans granted	4 385	775	-	-	*-2 362*	2 798
Deferred tax asset	366	929	64	-	-	1 359
Other assets	1 842	4 886	1 070	436	-	8 234
Corporate income tax receivable	14	291	-	93	-	398
Cash and cash equivalents	2 695	12 903	4 806	208	-	20 612
Total assets	**184 723**	**143 842**	**46 167**	**9 934**	***-3 487***	**381 179**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2022 (continued)

in thousands of EUR	**Media Slovak Republic**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Liabilities						
Bank loans	64 082	27 152	-	60	-	91 294
Interest-bearing loans and borrowings	19 735	186	-	2 614	*-2 362*	20 173
Issued bonds	57 704	22 544	-	-	-	80 248
Lease liabilities	13 333	56 080	5 022	200	-	74 635
Provisions	867	177	697	190	-	1 931
Trade and other liabilities	33 031	15 090	3 698	1 308	*-1 125*	52 002
Other liabilities	4 864	1 961	3 342	1 204	-	11 371
Corporate income tax liability	859	568	67	-	-	1 494
Deferred tax liability	14 971	5 570	-	371	-	20 912
Total liabilities	**209 446**	**129 328**	**12 826**	**5 947**	***-3 487***	**354 060**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2021

in thousands of EUR	**Media Slovak Republic**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Assets						
Goodwill	4 324	6 083	-	1 909	-	12 316
Televisual format	62 744	-	-	-	-	62 744
Other non-current intangible assets	2 631	4 197	4 029	389	-	11 246
Program rights	14 769	534	-	-	-	15 303
Accrued internal program rights	29 162	56	-	-	-	29 218
Property, plant and equipment	24 065	31 595	16 804	5 306	-	77 770
Investment property	-	257	-	-	-	257
Right-of-use assets	20 675	76 109	21 791	275	-	118 850
Investment in associates and joint ventures	58	557	-	-	-	615
Trade and other receivables	21 776	17 488	2 593	1 617	*-1 912*	41 562
Other financial assets	-	19	427	-	-	446
Loans granted	6 581	1 051	-	-	*-4 651*	2 981
Deferred tax asset	430	581	86	-	-	1 097
Other assets	1 548	4 020	1 172	301	-	7 041
Corporate income tax receivable	139	182	-	44	-	365
Cash and cash equivalents	6 782	10 511	4 867	258	-	22 418
Assets held for sale	-	103	-	-	-	103
Total assets	**195 684**	**153 343**	**51 769**	**10 099**	***-6 563***	**404 332**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2021 (continued)

in thousands of EUR	**Media Slovak Republic**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Liabilities						
Bank loans	76 570	29 801	-	94	-	106 465
Interest-bearing loans and borrowings	19 308	28	1 560	3 017	*-4 651*	19 262
Issued bonds	53 683	21 782	-	-	-	75 465
Lease liabilities	16 648	62 623	7 578	286	-	87 135
Provisions	820	190	756	416	-	2 182
Trade and other liabilities	34 613	14 830	3 108	1 063	*-1 916*	51 698
Other liabilities	2 705	1 923	4 341	1 019	-	9 988
Corporate income tax liability	2 251	1 698	24	170	-	4 143
Deferred tax liability	16 015	6 849	-	384	-	23 248
Liabilities related to assets held for sale	-	2	-	-	-	2
Total liabilities	**222 613**	**139 726**	**17 367**	**6 449**	***-6 567***	**379 588**

4. Acquisitions and disposals of entities

Acquisition and foundation of entities for the period from 1 January 2022 to 31 December 2022

Information about acquisition carried out and newly established entity for the period from 1 January 2022 to 31 December 2022 are presented in notes 4.a) to 4.d).

a) Details on new acquisition

MACH - NARWALL, spol. s r. o.
Based on the contract for the purchase of a business share concluded on 12 January 2022, the Company through its subsidiary BigBoard Praha, a.s. acquired a 100% share in the share capital of MACH - NARWALL, spol. s r.o. The business share was acquired for EUR 121 thousand. The company is consolidated using the full method.

GES Slovakia, s.r.o.
Based on the contract for the purchase of a business share concluded on 19 February 2022, the Company through its subsidiary Radio Services a.s. acquired a 100% share in the share capital of GES Slovakia, s.r.o. The business share was acquired for EUR 12 thousand. The company is consolidated using the full method.

HROT, s.r.o.
Based on the contract for the purchase of a business share concluded on 25 March 2022 and 8 August 2022, the Company through its subsidiary BigBoard Praha, a.s. acquired a 30% share and subsequently 21% share in the share capital of HROT, s.r.o. The business share was acquired for EUR 21 thousand. The company is consolidated using the full method.

News Media s.r.o.
Based on the contract for the purchase of a business share concluded on 6 April 2022, the Company through its subsidiary BigBoard Praha, a.s. acquired a 70% share in the share capital of News Media s.r.o. The business share was acquired for EUR 184 thousand. The company is consolidated using the full method.

b) Goodwill

Acquired goodwill has been allocated to individual cash-generating units ("CGU") that are expected to benefit from the synergies arising from business combinations, see also Note c).

MACH - NARWALL, spol. s r. o.
The goodwill in the amount of EUR 89 thousand has arisen on acquisition, see also Note c).

GES Slovakia, s.r.o.
The goodwill in the amount of EUR 279 thousand has arisen on acquisition, see also Note c).

HROT, s.r.o.
The goodwill in the amount of EUR 322 thousand has arisen on acquisition, see also Note c).

News Media s.r.o.
The goodwill in the amount of EUR 164 thousand has arisen on acquisition, see also Note c).

4. Acquisitions and disposals of entities (continued)

c) Fair value adjustments of identified net assets

Adjustments of identifiable net assets to real values have so far been identified only for MACH NARWALL, spol. s r.o.:

in thousands of EUR	**MACH - NARWALL, spol. s r. o.**
Property, plant and equipment	46
Deferred tax liability	-9
Total net effect	**37**

As a result of the purchase price allocation for other business combinations that took place between 1 January 2022 and 31 December 2022, there were no fair value adjustments.

d) Effect of acquisitions

The acquisitions had the following effect on Group's assets and liabilities:

in thousands of EUR	*Note*	**MACH - NARWALL, spol. s r. o.**	**GES Slovakia, s.r.o. ***	**HROT, s.r.o. ***	**News Media s.r.o.**	**Total**
Property, plant and equipment	*15*	51	-	-	-	51
Other non-current intangible assets	*13*	-	-	13	-	13
Right-of-use assets	*16*	144	-	-	-	144
Trade and other receivables		7	1	73	9	90
Other assets		4	-	7	1	12
Loans granted		-	-275	-260	-	-535
Corporate income tax receivable		1	-	-	-	1
Cash and cash equivalents		-	9	9	30	48
Interest-bearing loans and borrowings	*24*	-	-	-169	-	-169
Trade and other liabilities		-10	-2	-303	-7	-322
Lease liabilities	*24*	-144	-	-	-	-144
Other liabilities		-12	-	-2	-4	-18
Deferred tax liability	*26*	-9	-	-	-	-9
Non-controlling interests		-	-	310	-9	301
Net identifiable assets/ (liabilities)		**32**	**-267**	**-322**	**20**	**-537**
Goodwill on acquisition of new entities	*13*	89	279	322	164	854
Cost of acquisition		**121**	**12**	**-**	**184**	**317**
Consideration paid in cash		-121	-12	-	-184	-317
Cash acquired		-	9	9	30	48
Net cash inflow / (outflow)		**-121**	**-3**	**9**	**-154**	**-269**

** including eliminations of intragroup companies as at the date of the company's acquisition*

4. Acquisitions and disposals of entities (continued)

in thousands of EUR	MACH - NARWALL, spol. s r. o.	GES Slovakia, s.r.o.	HROT, s.r.o.	News Media s.r.o.	Total
Loss for the period after acquisition	-2	-14	-244	-1 174	-1 434
Revenue for the period after acquisition	112	-	982	-	1 094

If the acquisition had been made as at 1 January 2022, the Group's management estimates that consolidated revenue for the period from 1 January 2022 to 31 December 2022 would amount to EUR 220 571 thousand and a consolidated profit would be in the amount of EUR 1 340 thousand.

Disposal of entities for the period from 1 January 2022 to 31 December 2022

Information about acquisition carried out and newly established entity for the period from 1 January 2022 to 31 December 2022 is provided in Notes 4.e) to 4.f).

e) Detail on disposal of a company

D & C Agency, s.r.o.
On 12 January 2022, the Group sold a 100% share in D & C Agency, s.r.o. The selling price of the share was EUR 20 thousand.

f) Effect of sale of a company

The sale of the company had the following effect on the Group's assets and liabilities:

in thousands of EUR	**D & C Agency, s.r.o.,** *including eliminations of other Group companies*
Other financial assets	-103
Loans granted	32
Cash and cash equivalents	-2
Trade and other liabilities	53
Outgoing net identifiable (assets)/liabilities	**-20**
Selling price	20
Profit on sale	**-**
Consideration paid in cash	20
Decrease in cash	-2
Net monetary income	**18**

As at 31 December 2021, D & C AGENCY s.r.o. was recognised as assets held for sale in the Group's consolidated statement of financial position.

4. Acquisitions and disposals of entities (continued)

Acquisition and foundation of entities for the period from 1 January 2021 to 31 December 2021

Information about acquisition carried out and newly established entity for the period from 1 January 2021 to 31 December 2021 is provided in Notes 4.g) to 4.k).

g) Details on foundation

Inzeris s.r.o.
On 1 January 2021, the Company through the subsidiary BigZoom a.s. established Inzeris s.r.o. with a contribution of EUR 3 thousand, which represents a 70% share. The entity is consolidated using the full consolidation method.

h) Details on new acquisitions

QEX Plochy s. r. o.
Based on an agreement on transfer of the ownership interest signed on 1 January 2021, the Company through the subsidiary Akzent BigBoard, a.s. acquired a 80% share in the registered capital of QEX Plochy s. r. o. The share was acquired for EUR 1 136 thousand. The entity is consolidated using the full consolidation method.

Muchalogy s.r.o.
Based on an agreement on transfer of the ownership interest signed on 6 January 2021, the Company through the subsidiary BigMedia, spol. s r.o. acquired a 19% share in the registered capital of Muchalogy s.r.o. The share was acquired for EUR 44 thousand. The entity is consolidated using the full consolidation method.

FORWARD-MEDIA Group (including FORWARD-MEDIA, spol. s r.o. a E2 Services, a. s.)
Based on an agreement on transfer of the ownership interest signed on 20 October 2021, the Company through the subsidiary Radio Services a.s. acquired a 100% share in the registered capital of FORWARD-MEDIA, spol. s r.o. The share was acquired for EUR 1 thousand. The Company also acquired 100% share in the registered capital of E2 Services, a. s. Both entities are consolidated using the full consolidation method.

TA Services, s.r.o.
Based on an agreement on transfer of the ownership interest signed on 3 November 2021, the Company through the subsidiary Radio Services a.s. acquired a 100% share in the registered capital of TA Services, s.r.o. The share was acquired for EUR 1 thousand. The entity is consolidated using the full consolidation method.

i) Goodwill

Acquired goodwill has been allocated to individual cash-generating units ("CGU") that are expected to benefit from the synergies arising from business combinations, see also Note c).

QEX Plochy s. r. o.
The goodwill in the amount of EUR 850 thousand has arisen on acquisition, see also Note j).

Muchalogy s.r.o.
The goodwill in the amount of EUR 45 thousand has arisen on acquisition, see also Note j).

j) Fair value adjustments of identified net assets

No significant fair value adjustments of identified assets were made as a result of the allocation of purchase prices for the Group's newly acquired companies in 2021.

4. Acquisitions and disposals of entities (continued)

k) Effect of acquisitions

The acquisitions had the following effect on Group's assets and liabilities:

in thousands of EUR	*Note*	**QEX Plochy s. r. o.**	**Muchalogy s.r.o.**	**Other**	**Total**
Property, plant and equipment	*15*	276	-	1	277
Other non-current intangible assets	*13*	2	397	-	399
Right-of-use assets	*16*	694	-	-	694
Trade and other receivables		4	12	2	18
Other assets		64	71	409	544
Loans granted		-	-43	-	-43
Cash and cash equivalents		102	7	92	201
Interest-bearing loans and borrowings	*24*	-13	-	-	-13
Lease liabilities	*24*	-694	-	-	-694
Trade and other liabilities		-59	-431	-1	-491
Other liabilities		-1	-19	-	-20
Corporate income tax liability		-17	-	-305	-322
Non-controlling interests		-72	5	-	-67
Net identifiable assets / (liabilities)		**286**	**-1**	**198**	**483**
Goodwill / (Gain on bargain purchase) on acquisition of new entities	*13*	850	45	-196	699
Cost of acquisition		**1 136**	**44**	**2**	**1 182**
Consideration paid in cash		-136	-	-2	-138
Cash acquired		102	7	92	201
Net cash inflow / (outflow)		**-34**	**7**	**90**	**63**
Profit for the period after acquisition		56	139	192	195
Revenue for the period after acquisition		553	16	13	569

If the acquisition had been made as at 1 January 2021, the Group's management estimates that consolidated revenue for the period from 1 January 2021 to 31 December 2021 would amount to EUR 221 043 thousand and a consolidated profit would be in the amount of EUR 6 099 thousand.

5. Revenue from the sale of merchandise and services

Revenue per major categories are as follows:

in thousands of EUR	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Revenue from contracts with customers „Media Slovak Republic“	108 783	108 516
Revenue from contracts with customers „Media Czech Republic“	67 630	66 812
Revenue from contracts with customers „Media Austria“	30 063	26 594
Revenue from contracts with customers „Media Croatia“	9 987	10 047
Revenue from lease	857	432
Total	**217 320**	**212 401**

6. Other operating income

in thousands of EUR	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Other MUCHA exhibition related income	856	267
Revenue from fines and penalties	835	2 819
Revenue from market research	561	372
State aid received	232	3 027
Insurance claims	173	159
Gain on lease termination	72	363
Gain on written-off liabilities	17	115
Other	268	485
Total	**3 014**	**7 607**

7. Personnel expenses

in thousands of EUR	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Personnel expenses	-25 444	-22 810
Contribution to social and health insurance	-5 965	-5 394
Other wages and salaries costs	-1 353	-1 301
Total	**-32 762**	**-29 505**

The average number of employees of the Group during the period from 1 January 2022 to 31 December 2022 was 670, out of which management represents 29 (from 1 January 2021 to 31 December 2021: 649, out of which management: 35).

The number of Group employees as at 31 December 2022 was 701, out of which management represents 33 (as at 31 December 2021: 668, out of which management 38).

8. Posting, printing and removal of advertising

in thousands of EUR	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Posting of advertising	-8 723	-7 351
Printing of advertising	-4 094	-3 281
Removal of advertising	-90	-107
Total	**-12 907**	**-10 739**

9. Depreciation, amortisation and impairment of non-current assets

in thousands of EUR	*Note*	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Depreciation of right-of-use assets	*16*	-19 286	-20 053
Depreciation of property, plant and equipment	*15*	-9 693	-9 402
Amortisation	*13*	-5 372	-5 341
(Creation)/ release of impairment allowance for property, plant and equipment	*15*	43	-43
Creation of impairment allowance for goodwill	*13*	-1 209	-2 500
Total		**-35 517**	**-37 339**

10. Other operating expenses

in thousands of EUR	*Note*	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Marketing expenses		-9 389	-8 667
Lease - short-term leasing of equipment, variable (performance) lease and small-tickets lease	16	-9 101	-8 953
Retransmission		-6 302	-8 711
Material and energy consumption		-5 331	-4 193
Repair and maintenance		-4 592	-3 734
The right-of-use of advertising space (transport companies)		-4 395	-3 765
Legal, accounting and advisory services		-3 448	-3 001
Creation of impairment allowance for trade receivables and inventory		-3 005	-1 610
Software support and IT services		-2 896	-1 940
Other expenses related to publishing local daily newspapers		-2 864	-2 427
Outsourcing expenses		-2 625	-1 878
Other taxes and fees		-2 102	-2 077
Expenses related to representation, sponsoring		-1 718	-942
Fees to performing rights societies and to AVF[1]		-1 690	-1 697
Media surveys		-1 642	-1 888
Other MUCHA exhibition related services		-1 027	-383
Transport and car insurance expenses		-759	-553
Telecommunication and internet services		-714	-626
Rent related services		-683	-602
Other costs on COVID- 19 testing		-621	-2 765
Cost of merchandise sold		-395	-2 643
Insurance of property except for car insurance		-356	-337
Fines and penalties		-42	-141
Advertising time rent		-	-1 472
Release of provisions		113	58
Other		-2 907	-1 767
Total		**-68 491**	**-66 714**

[1]AVF – Audio-visual fund – state institution for support and development of audio-visual culture and industry

The Group is using the services of the auditing companies KPMG Slovensko spol. s r.o., PricewaterhouseCoopers Audit, s.r.o., KPMG Austria AG and KPMG D.O.O., to audit the individual financial statements of the Group entities and the consolidated financial statements of the Company. The cost of these services for the year ended 31 December 2022 amounted to EUR 384 thousand (year ended 31 December 2021: EUR 317 thousand).

Costs for other services provided by the auditing companies KPMG Slovensko spol. s r.o., for the year ended 31 December 2022 amounted to EUR 5 thousand (year ended 31 December 2021: EUR 7 thousand).

11. Interest expenses and income

in thousands of EUR	*Note*	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Interest income			
Loans granted		103	186
Other		161	6
Total interest income		**264**	**192**
Interest expenses			
Issued bonds	*25,24*	-5 253	-6 881
Lease liabilities	*16,24*	-5 191	-4 280
Bank loans		-5 117	-3 925
Interest-bearing loans and borrowings		-1 024	-937
Other		-248	-220
Total interest expenses		**-16 833**	**-16 243**
Interest expenses, net		**-16 569**	**-16 051**

For the year ended 31 December 2022, interest expenses on bank loans include interest expenses from overdrafts in the amount of EUR 518 thousand, which for the purposes of the cash flow statement are presented under cash and cash equivalents (for the year ended 31 December 2021: EUR 363 thousand).

12. Income tax

in thousands of EUR	*Note*	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Current income tax			
Current year		-5 273	-6 242
Corrections of previous periods		-149	-41
Withholding tax		-	-2
Deferred income tax			
Creation and reversal of temporary differences and tax losses	*26*	2 787	1 894
Change in tax rate	*26*	-6	-
Total tax charge recognised		**-2 641**	**-4 391**

12. Income tax (continued)

Reconciliation of the effective tax rate

in thousands of EUR	2022	%	2021	%
Profit before tax	**4 276**		**9 220**	
Income tax at local rate	898	21	1 936	21
Effect of tax rates in other countries	-50	-1	-140	-2
Permanent differences, net	1 588	37	2 521	27
Tax losses to which no deferred tax was recognised in current period	652	15	564	6
Utilisation of tax losses to which no deferred tax was previously recognised	-640	-15	-552	-6
Decrease in deferred tax asset in the current period due to its non-utilisation	42	1	17	-
Correction of income tax from previous periods	149	3	41	-
Tax licences	-4	-	2	-
Change in tax rate	6	-	-	-
Withholding tax	-	-	2	-
Total tax charge recognised	**2 641**	**61**	**4 391**	**46**

Deferred tax is calculated using the tax rate which is expected to be valid in the period, during which the receivable will be realised or the liability settled.

The tax rate in Slovakia is 21% (2021: 21%). The tax rate in the Czech Republic is 19% (2021: 19%), in Austria 25% (2021: 25%) and in Croatia 18% (2021: 18%).

As at 1 January 2023, the tax rate in Austria changes to 24% and subsequently to 23% as at 1 January 2024. Therefore, the amount of deferred tax on the income of subsidiaries in Austria is calculated using a rate of 23%.

13. Goodwill, Televisual format and other non-current intangible assets

Year ended 31 December 2022

in thousands of EUR	Televisual format	Contractual rights	Goodwill	Trademark	Other assets	Total
Acquisition cost						
Balance as at 1 January 2022	**109 134**	**2 229**	**18 559**	**8 409**	**14 042**	**152 373**
Additions	-	-	-	211	1 157	**1 368**
Additions on acquisition	-	-	854	-	13	**867**
Disposals	-	-	-	-	-31	**-31**
Changes due to translation differences	-	-	193	73	161	**427**
Balance as at 31 December 2022	**109 134**	**2 229**	**19 606**	**8 693**	**15 342**	**155 004**
Accumulated amortisation and impairment allowances						
Balance as at 1 January 2022	**-46 390**	**-2 229**	**-6 243**	**-100**	**-11 105**	**-66 067**
Amortisation	-3 922	-	-	-33	-1 417	**-5 372**
Impairment of assets	-	-	-1 209	-	-	**-1 209**
Disposals	-	-	-	-	31	**31**
Changes due to translation differences	-	-	-	-3	-111	**-114**
Balance as at 31 December 2022	**-50 312**	**-2 229**	**-7 452**	**-136**	**-12 602**	**-72 731**
Carrying amount						
Balance as at 1 January 2022	**62 744**	**-**	**12 316**	**8 309**	**2 937**	**86 306**
Balance as at 31 December 2022	**58 822**	**-**	**12 154**	**8 557**	**2 740**	**82 273**

13. Goodwill, Televisual format and other non-current intangible assets (continued)

Year ended 31 December 2021

in thousands of EUR	Televisual format	Contractual rights	Goodwill	Trademark	Other assets	Total
Acquisition cost						
Balance as at 1 January 2021	**109 134**	**2 229**	**17 332**	**8 282**	**12 163**	**149 140**
Additions	-	-	-	-	1 330	**1 330**
Additions on acquisition	-	-	895	-	399	**1 294**
Disposals	-	-	-	-	-98	**-98**
Changes due to translation differences	-	-	332	127	248	**707**
Balance as at 31 December 2021	**109 134**	**2 229**	**18 559**	**8 409**	**14 042**	**152 373**
Accumulated amortisation and impairment allowances						
Balance as at 1 January 2021	**-42 342**	**-2 229**	**-3 743**	**-63**	**-9 794**	**-58 171**
Amortisation	-4 048	-	-	-34	-1 259	**-5 341**
Impairment of assets	-	-	-2 500	-	-	**-2 500**
Disposals	-	-	-	-	98	**98**
Changes due to translation differences	-	-	-	-3	-150	**-153**
Balance as at 31 December 2021	**-46 390**	**-2 229**	**-6 243**	**-100**	**-11 105**	**-66 067**
Carrying amount						
Balance as at 1 January 2021	**66 792**	**-**	**13 589**	**8 219**	**2 369**	**90 969**
Balance as at 31 December 2021	**62 744**	**-**	**12 316**	**8 309**	**2 937**	**86 306**

14. Impairment testing of assets

For the reasons set out in Note 2 - Significant Accounting Policies, as at the balance sheet date, management of the Group conducted impairment testing for non-current intangible assets for all the identifiable cash-generating units.

a) Impairment testing of assets for the period 1 January 2022 to 31 December 2022

CGU BigBoard Praha[1]
As at 31 December 2022, goodwill in the amount of EUR 5 766 thousand, non-current intangible asset with indefinite useful life, the trademark, in the amount of 2 290 thousand, property, plant and equipment in the amount of EUR 31 961 thousand and right-of-use assets in the amount of EUR 66 682 thousand were recorded by the Group relating to CGU BigBoard Praha[1]. Based on the analysis, the Company identified indicators of possible impairment of CGU BigBoard Praha[1], and therefore performed an impairment testing.

The assumptions used in the impairment testing of the CGU BigBoard Praha[1] as at 31 December 2022 were as follows:

- CGU's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

14. Impairment testing of assets (continued)

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- Used discount rate of 11% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU BigBoard Praha[1] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 11% to 12% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU Slovenská produkčná[2]
As at 31 December 2022, the Group recognises goodwill for the CGU Slovenská produkčná[2] in the amount of EUR 1 089 thousand, other non-current intangible assets in the amount of EUR 59 626 thousand, property, plant and equipment in the amount of EUR 7 431 thousand and right-of-use assets in the amount of EUR 11 thousand.

The assumptions used in impairment testing of the CGU Slovenská produkčná[2] as at 31 December 2022 were as follows:

- Assets value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were estimated based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- Used discount rate of 11% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. The expected net cash flows for CGU Slovenská produkčná are closely related to business strategies, which may not develop in all material respects as expected by management. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Slovenská produkčná[2] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 11% to 12% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

14. Impairment testing of assets (continued)

CGU Akzent BigBoard[3]
As at 31 December 2022, the Group recognised for the CGU Akzent BigBoard[3] a goodwill in the amount of EUR 2 763 thousand, non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 1 865 thousand, property, plant and equipment in the amount of EUR 16 834 thousand and right-of-use assets in the amount of EUR 15 841 thousand. Based on the analysis, the Company identified indicators of possible impairment of Akzent BigBoard[3], and therefore performed an impairment testing.

The assumptions used in impairment testing of the CGU Akzent BigBoard[3] as at 31 December 2022 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- Used discount rate of 10.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Akzent BigBoard[3] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 10.5% to 11.5% would cause an impairment of EUR 1 911 thousand. A decrease of net cash flows by 10% when compared to the management estimate would cause and impairment of EUR 2 790 thousand.

CGU EPAMEDIA[4]
As at 31 December 2022, no goodwill was recognised for CGU EPAMEDIA[4]. As at 31 December 2022, the Group recognised a non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 3 800 thousand, property, plant and equipment in the amount of EUR 16 928 thousand and right-of-use assets in the amount of EUR 17 978 thousand for the CGU EPAMEDIA[4]. Based on the analysis, the Company identified indicators of possible impairment of CGU EPAMEDIA[4], and therefore performed an impairment testing.

The assumptions used in the impairment testing of the CGU EPAMEDIA[4] as at 31 December 2022 were as follows:

- CGU's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 10% was determined based on the target structure of own and external capital of comparable businesses in the industry.

14. Impairment testing of assets (continued)

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU EPAMEDIA[4] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 10% to 11% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to management estimates would not cause the assets to be impaired.

CGU RADIO SERVICES[5]
As at 31 December 2022, the Group recognised for the CGU RADIO SERVICES[5] a goodwill in the amount of EUR 1 209 thousand, which was fully written-off as at 31 December 2022.

CGU Croatia[6]
As at 31 December 2022, the Group recognises goodwill for the CGU Croatia[6] in the amount of EUR 1 904 thousand and non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 497 thousand.

The assumptions used in impairment testing of the CGU Croatia[6] as at 31 December 2022 were as follows:

- CGU's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- Used discount rate of 11% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Croatia[6] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 11% to 12% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to management estimates would not cause the assets to be impaired.

[1] BigBoard Praha group includes BigBoard Praha, a.s., BigMedia, spol. s r.o., Czech Outdoor s.r.o., Expiria, a.s., RAILREKLAM, spol. s r.o., MG Advertising, s.r.o., Barrandia s.r.o., Czech Testing s.r.o. (Český billboard, s.r.o.), outdoor akzent s.r.o., Bilbo City s.r.o., QEEP, a.s., Velonet ČR, s.r.o., News Advertising s.r.o., Flowee s.r.o., Kitchen Lab s.r.o., BigZoom a.s., Programmatic marketing, s.r.o., Hyperinzerce, s.r.o., Quantio, s.r.o., Hyperslevy.cz,s.r.o., Slovenskainzercia s.r.o., Hyperinzercia, s.r.o., Eremia, a.s., CovidPass s.r.o., Muchalogy s.r.o., MetroZoom s.r.o., Inzeris s.r.o., MACH - NARWALL, spol. s r. o., HROT, s.r.o. and News Media s.r.o.

[2] Slovenská produkčná group includes Slovenská produkčná, a.s., MAC TV s.r.o., PMT, s.r.o., DONEAL, s.r.o., Magical roof s.r.o. and Československá filmová společnost, s.r.o.

14. Impairment testing of assets (continued)

[3] Akzent BigBoard group includes Akzent BigBoard, a.s., BigMedia, spol. s r.o., RECAR Bratislava a.s., RECAR Slovak Republic a.s., BHB, s.r.o. and QEX Plochy s. r. o.

[4] EPAMEDIA group includes EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH and R + C Plakatforschung und –kontrolle Gesellschaft mbH,

[5] RADIO SERVICES group includes Radio Services a.s.

[6] Croatia includes NOVI LIST d.d. a Glas Istre Novine d.o.o.

b) Impairment testing of assets for the year ended 31 December 2021

CGU BigBoard Praha[1]
As at 31 December 2021, goodwill in the amount of EUR 5 027 thousand, intangible asset with indefinite useful life, the trademark in the amount of EUR 2 222 thousand, property, plant and equipment in the amount of EUR 31 596 thousand and right-of-use assets in the amount of EUR 76 090 thousand were recorded by the Group relating to CGU BigBoard Praha[1]. Based on the analysis, the Company identified indicators of possible impairment of BigBoard Praha[1], and therefore performed an impairment testing.

The assumptions used in the impairment testing of the BigBoard Praha[1] as at 31 December 2021 were as follows:

- CGU's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- A discount rate of 9% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU BigBoard Praha[1] were identified.

14. Impairment testing of assets (continued)

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 9% to 10.5% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU Slovenská produkčná[2]

As at 31 December 2021 the Group recognises goodwill for the CGU Slovenská produkčná[2] in the amount of EUR 1 056 thousand, other non-current intangible assets in the amount of EUR 63 444 thousand, property, plant and equipment in the amount of EUR 7 153 thousand and right-of-use assets in the amount of EUR 378 thousand.

The assumptions used in impairment testing of the CGU Slovenská produkčná[2] as at 31 December 2021 were as follows:

- assets value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were estimated based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- Used discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. The expected net cash flows for CGU Slovenská produkčná are closely related to business strategies, which may not develop in all material respects as expected by management. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Slovenská produkčná[2] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU Akzent BigBoard[3]

As at 31 December 2021, the Group recognised for the CGU Akzent BigBoard[3] a goodwill in the amount of EUR 2 763 thousand, non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 1 865 thousand, property, plant and equipment in the amount of EUR 16 871 thousand and right-of-use assets in the amount of EUR 20 179 thousand. Based on the analysis, the Company identified indicators of possible impairment of Akzent BigBoard[3], and therefore performed an impairment testing.

14. Impairment testing of assets (continued)

The assumptions used in impairment testing of the CGU Akzent BigBoard[3] as at 31 December 2021 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- Used discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Akzent BigBoard[3] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU EPAMEDIA[4]
As at 31 December 2021, no goodwill was recognised for CGU EPAMEDIA[4]. For the CGU EPAMEDIA[4], the Group recognised non-current intangible asset with indefinite useful life, the trademark in the amount of EUR 3 800 thousand, property, plant and equipment in the amount of EUR 16 804 thousand and right-of-use assets in the amount of EUR 21 792 thousand. Based on the analysis, the Company identified indicators of possible impairment of CGU EPAMEDIA[4], and therefore performed an impairment testing.

The assumptions used in the impairment testing of the CGU EPAMEDIA[4] as at 31 December 2021 were as follows:

- CGU's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU EPAMEDIA[4] were identified.

14. Impairment testing of assets (continued)

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU RADIO SERVICES[5]
As at 31 December 2021, the Group recognised for the CGU RADIO SERVICES[5] a goodwill in the amount of EUR 3 430 thousand.

The assumptions used in the impairment testing of the CGU RADIO SERVICES[5] as at 31 December 2021 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- Used discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, an impairment loss of the assets of CGU RADIO SERVICES[5] in the amount of EUR 2 500 thousand was identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would cause the assets to be impaired by EUR 2 724 thousand. A decrease of net cash flows by 10% when compared to the management estimate would cause the assets to be impaired by EUR 2 815 thousand.

CGU Croatia[6]
As at 31 December 2021, the Group recognised for the CGU Croatia[6] a goodwill in the amount of EUR 1 909 thousand and non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 288 thousand.

The assumptions used in the impairment testing of the CGU Croatia[6] as at 31 December 2021 were as follows:

- CGU's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 9.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

14. Impairment testing of assets (continued)

- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Croatia[6] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 9.5% to 11.0% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

[1] The Group BigBoard Praha includes BigBoard Praha, a.s., BigMedia, spol. s r.o., Czech Outdoor s.r.o., Expiria, a.s., RAILREKLAM, spol. s r.o., MG Advertising, s.r.o., Barrandia s.r.o., Czech Testing s.r.o. (Český billboard, s.r.o.), outdoor akzent s.r.o., Bilbo City s.r.o., QEEP, a.s., Velonet ČR, s.r.o., D & C AGENCY s.r.o., News Advertising s.r.o., Flowee s.r.o., Kitchen Lab s.r.o., BigZoom a.s., Programmatic marketing, s.r.o., Hyperinzerce, s.r.o., Quantio, s.r.o., Hyperslevy.cz,s.r.o., Slovenskainzercia s.r.o., Hyperinzercia, s.r.o., Eremia, a.s., CovidPass s.r.o., Muchalogy s.r.o., MetroZoom s.r.o. and Inzeris s.r.o.

[2] The Group Slovenská produkčná includes Slovenská produkčná, a.s., MAC TV s.r.o., PMT, s.r.o., DONEAL, s.r.o., Magical roof s.r.o. and Československá filmová společnost, s.r.o.

[3] The Group Akzent BigBoard includes Akzent BigBoard, a.s., BigMedia, spol. s r.o., RECAR Bratislava a.s., RECAR Slovak Republic a.s., BHB, s.r.o. and QEX Plochy s. r. o.

[4] The Group EPAMEDIA includes EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH and R + C Plakatforschung und –kontrolle Gesellschaft mbH,

[5] The Group RADIO SERVICES includes Radio Services a.s., FORWARD-MEDIA, spol. s r.o., E2 Services, a. s. and TA Services, s.r.o.

[6] The Group Croatia includes NOVI LIST d.d. and Glas Istre Novine d.o.o.

15. Property, plant and equipment

Year ended 31 December 2022

in thousands of EUR	Land	Buildings and structures	Bigboards and other advertising equipment	Machinery and equipment	Acquisition of property, plant and equipment	Total
Acquisition cost						
Balance as at 1 January 2022	**915**	**7 699**	**95 576**	**26 628**	**2 682**	**133 500**
Additions	-	665	3 254	2 949	2 975	**9 843**
Additions on acquisition	-	-	51	-	-	**51**
Transfers	-	1	1 595	17	-1 613	**-**
Transfers from right-of-use assets to property, plant and equipment	237	1 151	-	160	-	**1 548**
Disposals	-	-	-3 192	-2 367	-1 073	**-6 632**
Changes due to translation differences	5	4	1 382	143	32	**1 566**
Balance as at 31 December 2022	**1 157**	**9 520**	**98 666**	**27 530**	**3 003**	**139 876**
Accumulated amortisation and impairment allowances						
Balance as at 1 January 2022	**-**	**-1 708**	**-35 552**	**-18 470**	**-**	**-55 730**
Charge for the period		-391	-6 128	-3 174	-	**-9 693**
Transfers from right-of-use assets to property, plant and equipment	-	-200	-	-111	-	**-311**
Use of impairment allowance	-	-	14	-	-	**14**
Release of impairment allowance	-	-	43	-	-	**43**
Disposals	-	-	2 561	2 236	-	**4 797**
Changes due to translation differences	-	-10	-508	-100	-	**-618**
Balance as at 31 December 2022	**-**	**-2 309**	**-39 570**	**-19 619**	**-**	**-61 498**
Carrying amount						
Balance as at 1 January 2022	**915**	**5 991**	**60 024**	**8 158**	**2 682**	**77 770**
Balance as at 31 December 2022	**1 157**	**7 211**	**59 096**	**7 911**	**3 003**	**78 378**

15. Property, plant and equipment (continued)

Year ended 31 December 2021

in thousands of EUR	Land	Buildings and structures	Bigboards and other advertising equipment	Machinery and equipment	Acquisition of property, plant and equipment	Total
Acquisition cost						
Balance as at 1 January 2021	**901**	**7 150**	**95 861**	**22 464**	**1 235**	**127 611**
Additions	-	604	2 468	4 890	2 084	**10 046**
Additions on acquisition	-	-	276	1	-	**277**
Transfers	-	11	134	3	-148	**-**
Transfers from right-of-use assets to property, plant and equipment	-	-	-	59	-	**59**
Disposals	-	-117	-5 560	-1 031	-520	**-7 228**
Changes due to translation differences	14	51	2 397	242	31	**2 735**
Balance as at 31 December 2021	**915**	**7 699**	**95 576**	**26 628**	**2 682**	**133 500**
Accumulated amortisation and impairment allowances						
Balance as at 1 January 2021	**-**	**-1 476**	**-32 129**	**-16 655**	**-**	**-50 260**
Charge for the period	-	-330	-6 583	-2 489	-	**-9 402**
Transfers from right-of-use assets to property, plant and equipment	-	-	-	-11	-	**-11**
Impairment of assets	-	-	-43	-	-	**-43**
Use of impairment allowance	-	-	14	-	-	**14**
Disposals	-	117	3 985	833	-	**4 935**
Changes due to translation differences	-	-19	-796	-148	-	**-963**
Balance as at 31 December 2021	**-**	**-1 708**	**-35 552**	**-18 470**	**-**	**-55 730**
Carrying amount						
Balance as at 1 January 2021	**901**	**5 674**	**63 732**	**5 809**	**1 235**	**77 351**
Balance as at 31 December 2021	**915**	**5 991**	**60 024**	**8 158**	**2 682**	**77 770**

Impairment of property, plant and equipment
As at 31 December 2022, the impairment provision amounted to EUR 252 thousand and will be used for the regular dismantling of advertising equipment (31 December 2021: EUR 309 thousand).

Insurance of property, plant and equipment
The Group has insured its assets against natural disasters, theft, vandalism and general machinery malfunction. Cars are insured through full accident and liability insurance. The Group is also insured against liability for damage. The total insured amount of assets as at 31 December 2022 amounts to EUR 76 378 thousand (31 December 2021: EUR 74 918 thousand).

15. Property, plant and equipment (continued)

Restriction in use of assets
The Police of the Czech Republic, Department for Detection of Corruption and Financial Crime, on 23 June 2014 in connection with the investigation of suspicion of committing a criminal offense of breaching of trust by maladministration of estates of another, decided by Resolution to seize 132 pieces of advertising space of Czech Outdoor s.r.o. which net book value as at 31 December 2022 amounted to EUR 4 118 thousand (CZK 99 301 thousand). The above-mentioned criminal proceedings were not conducted against the company Czech Outdoor s.r.o., nor against its current or past directors. Criminal proceedings were conducted against former executives of Ředitelství silnic a dálnic ČR, with which Czech Outdoor s.r.o. in 2010 concluded an amendment to lease agreements. On 21 September 2018, the court acquitted the defendants and cancelled the seizure of advertising space. However, the public prosecutor appealed and subsequently the Municipal Court in Prague annulled the court's decision of 21 September 2018 and returned the case to the hearing. Appeals are currently under way, which require further expert opinions to determine the usual prices of concluded leases.
On 14 June 2022, the District Court of Prague 4 issued a judgment annulling the seizure of Czech Outdoor s.r.o.'s advertising space as a substitute value and therefore the reasons for seizing the equipment were not identified. The public prosecutor filed an appeal against the verdict, demanding higher penalties for the defendants and also to comply with his proposal to seize substitute value (advertising space and equipment specified in the resolution of the Police of the Czech Republic of 23 June 2014).

For more information on the restriction in use of assets see Note 24 – Bank loans and interest-bearing loans and borrowings.

16. Right-of-use assets and lease liabilities

The Group leases land, facades and walls of buildings under advertising equipment, office space, cars, broadcasting and computer equipment. The largest share in the portfolio of leased assets is the lease of land, facades and walls of buildings under advertising equipment. The lease period for land under advertising equipment is 2 to 15 years.

Right-of-use assets

Year ended 31 December 2022

in thousands of EUR	**Land under advertising equipment**	**Office spaces**	**Cars**	**Other**	**Total**
Balance as at 1 January 2022	**111 192**	**6 708**	**346**	**604**	**118 850**
Additions	1 400	35	565	-	**2 000**
Additions on acquisition	144	-	-	-	**144**
Disposals	-1 164	-41	-34	-	**-1 239**
Charge for the year	-17 122	-1 656	-264	-244	**-19 286**
Modifications in lease contracts	940	-1 425	22	-	**-463**
Transfers from the right-of-use assets to land, buildings and structures	-	-951	-49	-237	**-1 237**
Changes due to translation differences	2 041	84	-	-	**2 125**
Balance as at 31 December 2022	**97 431**	**2 754**	**586**	**123**	**100 894**

16. Right-of-use assets and lease liabilities (continued)

Year ended 31 December 2021

in thousands of EUR	Land under advertising equipment	Office spaces	Cars	Other	Total
Balance as at 1 January 2021	**115 602**	**7 675**	**347**	**880**	**124 504**
Additions	1 910	788	250	-	**2 948**
Additions on acquisition	694	-	-	-	**694**
Disposals	-3 756	-658	-20	-	**-4 434**
Charge for the year	-17 637	-1 680	-230	-506	**-20 053**
Modifications in lease contracts	10 464	356	46	230	**11 096**
Transfers from the right-of-use assets to land, buildings and structures	-	-	-48	-	**-48**
Changes due to translation differences	3 915	227	1	-	**4 143**
Balance as at 31 December 2021	**111 192**	**6 708**	**346**	**604**	**118 850**

Lease liabilities

Lease-related costs recognised in profit or loss:

in thousands of EUR	*Note*	Year ended 31 December 2022	Year ended 31 December 2021
Interest expenses on leases	*11*	-5 191	-4 280
Rent – short-term lease	*10*	-5 980	-6 418
Rent – low value leasing	*10*	-1 360	-1 052
Rent – variable (performance) lease	*10*	-1 761	-1 483
Total		**-14 292**	**-13 233**

Cash flows from leases:

in thousands of EUR	*Note*	Year ended 31 December 2022	Year ended 31 December 2021
Interest paid on leases	*24*	-5 025	-4 422
Lease principal repayments	*24*	-14 715	-15 315
Lease payments for short-term leasing, leasing of low-value assets and variable (performance) lease		-9 101	-8 953
Total cash flows from leases		**-28 841**	**-28 690**

17. Other financial assets

in thousands of EUR	**31 December 2022**	**31 December 2021**
Mutual funds measured at fair value through the profit or loss	373	441
Other financial assets measured at fair value through the profit or loss	5	5
Total	**378**	**446**

The administrator of the mutual funds is Raiffeisenlandesbank Niederösterreich-Wien AG.

Fair value hierarchy

Determining fair value of financial assets carried at fair value is as follows:

in thousands of EUR	**31 December 2022**	**31 December 2021**
Level 1	373	441
Level 2	5	5
Total	**378**	**446**

18. Program rights and accrued internal program rights

Year ended 31 December 2022

in thousands of EUR	**Program rights**	**Accrued internal program rights**	**Total**
Acquisition cost			
Balance as at 1 January 2022	**15 303**	**36 902**	**52 205**
Additions	16 317	36 362	**52 679**
Use	- 13 751	- 30 985	**- 44 736**
Write-off	- 1	- 1 504	**- 1 505**
Changes due to translation differences	21	3	**24**
Balance as at 31 December 2022	**17 889**	**40 778**	**58 667**
Impairment allowances			
Balance as at 1 January 2022	**-**	**- 7 684**	**- 7 684**
Creation	**-**	- 3 153	**- 3 153**
Use	-	2 173	**2 173**
Balance as at 31 December 2022	**-**	**- 8 664**	**- 8 664**
Carrying amount			
Balance as at 1 January 2022	**15 303**	**29 218**	**44 521**
Balance as at 31 December 2022	**17 889**	**32 114**	**50 003**

18. Program rights a Accrued internal program rights (continued)

Year ended 31 December 2021

in thousands of EUR	Program rights	Accrued internal program rights	Total
Acquisition cost			
Balance as at 1 January 2021	**19 324**	**38 284**	**57 608**
Additions	9 696	29 290	**38 986**
Use	- 13 720	- 29 385	**- 43 105**
Write-off	- 25	- 1 289	**- 1 314**
Changes due to translation differences	28	2	**30**
Balance as at 31 December 2021	**15 303**	**36 902**	**52 205**
Impairment allowances			
Balance as at 1 January 2021	**-**	**- 5 786**	**- 5 786**
Creation	-	- 3 066	**- 3 066**
Release	-	1 168	**1 168**
Balance as at 31 December 2021	**-**	**- 7 684**	**- 7 684**
Carrying amount			
Balance as at 1 January 2021	**19 324**	**32 498**	**51 822**
Balance as at 31 December 2021	**15 303**	**29 218**	**44 521**

For the year ended 31 December 2022 the main increase in internal program rights was represented by series (for the year ended 31 December 2021: series).

in thousands of EUR	31 December 2022	31 December 2021
Valid program rights or those becoming valid within 1 year after the balance sheet date	15 243	13 465
Current program rights	**15 243**	**13 465**
Program rights becoming valid more than 1 year after the balance sheet date	960	327
Program rights becoming valid more than 2 years after the balance sheet date	1 686	1 511
Non-current program rights	**2 646**	**1 838**
Total	**17 889**	**15 303**

The Group has no program rights or internal program rights carried at a value exceeding net realisable value, as management expects that income from broadcasted advertisements will exceed the value of program rights and internal program rights presented in the consolidated statement of financial position. There is no evidence of possible impairment in non-current program rights and accrued internal program rights.

19. Trade and other receivables

in thousands of EUR	31 December 2022	31 December 2021
Trade receivables	39 623	41 768
Other receivables	1 717	4 180
Receivables subtotal	**41 340**	**45 948**
Impairment allowance for receivables	-6 501	-4 386
Total	**34 839**	**41 562**

Changes in impairment allowance during the period:

in thousands of EUR	Year ended 31 December 2022	Year ended 31 December 2021
Balance as at 1 January	**4 386**	**3 005**
Creation	4 577	2 516
Use	-1 032	-384
Release	-1 571	-893
Changes due to translation differences	141	142
Balance as at 31 December	**6 501**	**4 386**

Impairment allowances for receivables reflect customers' credit rating and their ability to pay their liabilities.

20. Loans granted

in thousands of EUR	31 December 2022	31 December 2021
Loans granted	3 807	4 069
Impairment allowance for loans granted – Level 3	-1 009	-1 088
Total	**2 798**	**2 981**

See also Note 30 - Risk management.

Changes in impairment allowance during the period:

in thousands of EUR	Year ended 31 December 2022	Year ended 31 December 2021
Balance as at 1 January	**1 088**	**500**
Creation	2	583
Use	-80	-
Changes due to translation differences	-1	5
Balance as at 31 December	**1 009**	**1 088**

21. Other assets

in thousands of EUR	31 December 2022	31 December 2021
Advances paid	4 282	3 512
Prepaid expenses	2 261	2 125
Inventory	1 049	835
Tax assets	615	527
Receivables from employees and institutions of social security	27	42
Total	**8 234**	**7 041**

22. Cash and cash equivalents

in thousands of EUR	31 December 2022	31 December 2021
Bank accounts	14 084	21 272
Term deposits up to 3 months	6 220	1 000
Cash in hand	288	118
Vouchers	20	28
Total	**20 612**	**22 418**

23. Equity

Share capital

As at 31 December 2022 and as at 31 December 2021, the Company's share capital equals EUR 25 thousand. Share capital as at 31 December 2022 and 31 December 2021 comprise 1 000 ordinary shares in a nominal value of EUR 25 per share.

The shareholder is entitled to dividends and is entitled to cast his vote during general meetings of the Company, 1 vote per share.

Share capital is fully paid up.

Other funds

Other funds include legal reserve fund, other capital funds, fund from foreign currencies translations differences and revaluation fund.

The Company is obliged, according to the Slovak legal regulations, to create a legal reserve fund at a minimum of 10% of net profit and at least up to 20% of the share capital (cumulatively). The legal reserve fund can only be used to cover the Company's losses and cannot be paid out as dividends. The calculation of the reserve fund is carried out in line with legal requirements.

23. Equity (continued)

Non-controlling interests

The following subsidiaries have non-controlling interests that are significant to the Group:

	Place of business	Ownership interest attributable to non-controlling share	
		31 December 2022	31 December 2021
		%	%
BigBoard Praha, a.s.	Czech Republic	40	40
Czech Outdoor s.r.o.	Czech Republic	40	40
outdoor akzent s.r.o.	Czech Republic	40	40

Summary financial information of subsidiaries before elimination of intra-group relations for the year ended 31 December 2022 are shown in the table below:

Year ended 31 December 2022

in thousands of EUR	BigBoard Praha, a.s.	Czech Outdoor s.r.o	outdoor akzent s.r.o.
Revenue (100%)	23 308	10 867	11 058
Profit / (loss) for the period (100%)	-2 028	-342	763
Other comprehensive income (100%)	-505	292	581
Total comprehensive income for the period (100%)	**-2 533**	**-50**	**1 344**
Profit / (loss) for the period attributable to non-controlling interests	-811	-137	305
Total comprehensive income for the period attributable to non-controlling interests	-1 013	-20	538

31 December 2022

in thousands of EUR	BigBoard Praha, a.s.	Czech Outdoor s.r.o.	outdoor akzent s.r.o.
Non-current assets	70 671	22 307	6 192
Current assets	13 722	15 536	20 390
Non-current liabilities	-72 828	-24 411	-8 815
Current liabilities	-30 698	-3 779	-6 540
Net assets / (liabilities) (100%)	**-19 133**	**9 653**	**11 227**
Net assets / (liabilities) attributable to non-controlling interests	-7 653	3 861	4 491

23. Equity (continued)

Year ended 31 December 2022

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Cash flows from operating activities	1 570	2 501	2 038
Cash flows from/(used in) investment activities	2 379	-569	-72
Cash flows used in financing activities	-4 986	-2 387	-2 175
Increase in cash and cash equivalents	**-1 037**	**-455**	**-209**

Summary financial information of subsidiaries before elimination of intra-group relations for the year ended 31 December 2021 are shown in the table below:

Year ended 31 December 2021

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o**	**outdoor akzent s.r.o.**
Revenue (100%)	20 260	12 303	11 213
Profit / (loss) for the period (100%)	-786	1 530	2 399
Other comprehensive income (100%)	-897	477	917
Total comprehensive income for the period (100%)	**-1 683**	**2 007**	**3 316**
Profit / (loss) for the period attributable to non-controlling interests	-314	612	960
Total comprehensive income for the period attributable to non-controlling interests	-673	803	1 326

31 December 2021

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Non-current assets	82 570	24 328	7 345
Current assets	6 599	15 321	16 840
Non-current liabilities	-78 633	-27 061	-9 573
Current liabilities	-28 000	-2 885	-4 729
Net assets / (liabilities) (100%)	**-17 464**	**9 703**	**9 883**
Net assets / (liabilities) attributable to non-controlling interests	-6 985	3 881	3 953

23. Equity (continued)

Year ended 31 December 2021

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Cash flows from operating activities	3 883	2 606	3 214
Cash flows used in investment activities	-661	-199	-9
Cash flows used in financing activities	-2 167	-2 139	-2 758
Increase in cash and cash equivalents	**1 055**	**268**	**447**

Effect on disposal of ownership interest without a loss of control as at 31 December 2021

in thousands of EUR	
Outgoing group interest	96
Sale price	-
Change of equity attributable to shareholders of the Company	**96**

24. Bank loans and interest-bearing loans and borrowings

in thousands of EUR	**31 December 2022**	**31 December 2021**
Bank loans - bearing fixed interest rates	86	110
Bank loans - bearing floating interest rates	91 208	106 355
Interest-bearing loans and borrowings - bearing fixed interest rates	11 377	10 473
Interest-bearing loans and borrowings - bearing floating interest rates	8 796	8 789
Total	**111 467**	**125 727**

The average interest rate of bank loans and interest-bearing loans and borrowings as at 31 December 2022 equalled to 6.09% (as at 31 December 2021: 4.51%).

The Group provided guarantees for received bank loans, Interest-bearing loans and borrowings:

in thousands of EUR	**31 December 2022**	**31 December 2021**
Property, plant and equipment	36 855	36 834
Accrued internal program rights	32 033	29 163
Trade and other receivables	26 049	26 063
Program rights	17 079	15 184
Cash and cash equivalents	10 464	7 974
Other non-current intangible assets	3 484	3 380
Loans granted	776	660
Corporate income tax asset	228	141
Investment property	216	257
Other financial assets	5	5
Other assets	4 700	3 813
Total	**131 889**	**123 474**

24. Bank loans and interest-bearing loans and borrowings (continued)

Reconciliation of the movements of liabilities to cash flows from financing activities:

in thousands of EUR	**Bank loans and interest-bearing loans and borrowings ***	**Issued bonds**	**Lease liabilities**	**Total**
Balance as at 1 January 2022	**103 846**	**75 465**	**87 135**	**266 446**
Changes in cash flows from financing activities				
Repayments of loans and borrowings	-11 959	-	-	-11 959
Sold and issued bonds	-	2 815	-	2 815
Repayment of lease liabilities	-	-	-14 715	-14 715
Increase of other capital funds	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-
Total changes in cash flows from financing activities	***-11 959***	***2 815***	***-14 715***	***-23 859***
Other changes				
Interest expenses	5 623	5 253	5 191	16 067
Unrealised exchange rate losses, net	1 160	672	1 678	3 510
Interest paid	-4 850	-3 957	-5 025	-13 832
Changes from the acquisition of companies, the sale of companies and from changes in ownership without change in control	169	-	144	313
Other changes	-	-	227	227
Total other changes	***2 102***	***1 968***	***2 215***	***6 285***
Balance as at 31 December 2022	**93 989**	**80 248**	**74 635**	**248 872**

* less overdrafts

24. Bank loans and interest-bearing loans and borrowings (continued)

in thousands of EUR	Bank loans and interest-bearing loans and borrowings *	Issued bonds	Lease liabilities	Total
Balance as at 1 January 2021	**94 091**	**103 114**	**89 508**	**286 713**
Changes in cash flows from financing activities				
Repayments of loans and borrowings	-46 599	-	-	-46 599
Drawings of loans and borrowings	53 833	-	-	53 833
Issued bonds	-	16 668	-	16 668
Repayment of bonds	-	-34 432	-	-34 432
Repayment of lease liabilities	-	-	-15 315	-15 315
Increase of other capital funds	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-
Total changes in cash flows from financing activities	***7 234***	***-17 764***	***-15 315***	***-25 845***
Other changes				**-**
Interest expenses	4 499	6 881	4 280	15 660
Unrealised exchange rate gains, net	2 127	1 146	3 144	6 417
Interest paid	-4 100	-17 912	-4 422	-26 434
Changes from the acquisition of companies, the sale of companies and from changes in ownership without change in control	13	-	694	707
Other changes	-18	-	9 246	9 228
Total other changes	***2 521***	***-9 885***	***12 942***	***5 578***
Balance as at 31 December 2021	**103 846**	**75 465**	**87 135**	**266 446**

* less overdrafts

25. Issued bonds

The Company's bods are as follows:

in thousands of EUR	ISIN	Issued	Due date	Original currency of the issue	Nominal value of the issue in original currency	Effective interest rate in %	Carrying amount as at 31 December 2022	Carrying amount as at 31 December 2021
Type								
Payable to bearer	CZ0003503153	4.12.2012	5.12.2024	CZK	545 041	9,53	22 544	21 782
Payable to bearer	SK4120014390	7.8.2018	7.8.2023	EUR	39 278	5,90	39 999	36 949
Payable to bearer	SK4000019972	7.12.2021	7.12.2026	EUR	17 035	5,71	17 705	16 734
							80 248	**75 465**

Issued bonds in the amount of EUR 40 144 thousand stated in the Group's statement of financial position within current liabilities, represent unpaid accrued interest and bond ISIN SK4120014390, paid by the Group by the end of the year.

ISIN CZ0003503153 bonds bear a fixed interest rate that is payable annually. Interest expense for the year ended 31 December 2022 amounted to EUR 2 087 thousand (for the year ended 31 December 2021: 1 992 thousand).

These bonds are not issued for public offer.

Bonds in the nominal value in the amount of CZK 100 000 thousand (EUR 4 147 thousand) were repurchased by the Group on 12 August 2013 and as at 31 December 2022 they are still held by the Group.

ISIN SK4120011222 bonds represented zero coupon bonds. Interest expense for the year ended 31 December 2022 was EUR 2 700 thousand.

These bonds were repaid on 7 December 2022.

ISIN SK4120014390 bonds bear a fixed interest that is payable annually. Interest expense for the year ended 31 December 2022 is in the amount of EUR 2 195 thousand (for the year ended 31 December 2021: EUR 2 123 thousand).

On 17 June 2022, the Group sold its own bonds with a nominal value of EUR 18 thousand, on 20 June 2022, the Group sold its own bonds with a nominal value of EUR 482 thousand, and on 14 July 2022, the Group sold its own bonds with a nominal value of EUR 1 120 thousand. As at 31 December 2022, the Group no longer holds any own bonds from this issue.

On 14 July 2022, the Group sold bonds with a nominal value of EUR 1 180 thousand, which were approved as part of this issue, but not yet offered for sale.

On 7 December 2021, the Group issued zero coupon bonds ***ISIN SK4000019972*** with nominal value EUR 17 035 thousand. Interest expense for the year ended 31 December 2022 was in the amount of EUR 971 thousand (for the year ended 31 December 2021: EUR 66 thousand).

26. Deferred tax asset / (liability)

The following items gave rise to a deferred tax asset / (liability):

in thousands of EUR	Assets		Liabilities		Total	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Temporary differences related to:						
Property, plant and equipment	51	1	-8 666	-9 397	-8 615	-9 396
Non-current intangible assets	2	6	-14 120	-15 024	-14 118	-15 018
Provisions	458	598	-	-	458	598
Leases	164	97	-5 752	-7 017	-5 588	-6 920
Tax losses	6 393	7 537	-	-	6 393	7 537
Other	1 917	1 054	-	-6	1 917	1 048
Netting	*-7 626*	*-8 196*	*7 626*	*8 196*	-	-
Total	**1 359**	**1 097**	**-20 912**	**-23 248**	**-19 553**	**-22 151**

Change in deferred tax asset / (liability) for the year ended 31 December 2022:

in thousands of EUR	**Balance as at 1 January 2022**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Additions on acquisition**	**Exchange rate differences**	**Balance as at 31 December 2022**
Deferred tax asset						
Property, plant and equipment	**1**	49	-	-	1	**51**
Non-current intangible assets	**6**	-4	-	-	-	**2**
Provisions	**598**	-127	-15	-	2	**458**
Leases	**97**	63	-	-	4	**164**
Tax losses	**7 537**	-1 149	-	-	5	**6 393**
Other	**1 054**	832	-	-	31	**1 917**
Deferred tax liability						
Property, plant and equipment	**-9 397**	856	-	-9	-116	**-8 666**
Non-current intangible assets	**-15 024**	918	-	-	-14	**-14 120**
Leases	**-7 017**	1 337	-	-	-72	**-5 752**
Other	**-6**	6	-	-	-	**-**
Total	**-22 151**	**2 781**	**-15**	**-9**	**-159**	**-19 553**

26. Deferred tax asset / (liability) (continued)

Change in deferred tax asset / (liability) for the year ended 31 December 2021:

in thousands of EUR	**Balance as at 1 January 2021**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Exchange rate differences**	**Balance as at 31 December 2021**
Deferred tax asset					
Property, plant and equipment	**51**	-51	-	1	**1**
Non-current intangible assets	**1**	5	-	-	**6**
Provisions	**591**	11	-6	2	**598**
Leases	**76**	16	-	5	**97**
Tax losses	**8 462**	-948	-	23	**7 537**
Other	**852**	182	-	20	**1 054**
Deferred tax liability					
Property, plant and equipment	**-10 118**	941	-	-220	**-9 397**
Non-current intangible assets	**-15 851**	851	-	-24	**-15 024**
Leases	**-7 698**	832	-	-151	**-7 017**
Other	**-59**	55	-	-2	**-6**
Total	**-23 693**	**1 894**	**-6**	**-346**	**-22 151**

Deferred tax asset from losses carried forward is recognised only to the extent that is probable that a taxable profit will be available against which this amount can be utilised.

Deferred tax asset arising from the following items was not recognised (tax base):

in thousands of EUR	**31 December 2022**	**31 December 2021**
Tax losses	61 813	62 512
of which tax losses of subsidiaries	*59 039*	*59 574*

Expected periods for expiration of tax losses utilisation:

in thousands of EUR	**2023**	**2024**	**2025**	**2026**	**After 2026**
Tax losses	2 369	2 441	3 636	1 551	79 908

From 1 January 2020, the Slovak regulations for amortisation of tax losses incurred after 1 January 2020 have changed. Tax losses incurred after 1 January 2020 can be amortised during five immediately consecutive tax periods, up to a maximum of 50% of the tax base. Tax losses incurred before 1 January 2020 may continue to be amortised on a straight-line basis for a maximum of 4 consecutive years. The maximum period for amortisation of tax loss incurred in the Czech Republic and Croatia is 5 years and the amortisation of tax loss incurred in Austria is unlimited.

27. Provisions

Year ended 31 December 2022

in thousands of EUR	Asset retirement obligation provision	Employee benefits	Fines from RpVaR[1] and lawsuits	Other provisions	Provisions total
Balance as at 1 January	**191**	**900**	**603**	**488**	**2 182**
Creation	-	28	51	467	**546**
Usage	-4	-	-11	-452	**-467**
Release	-15	-142	-106	-20	**-283**
Actuarial losses	-	-59	-	-	**-59**
Interest expense	-	7	-	-	**7**
Changes due to translation differences	6	-1	-	-	**5**
Balance as at 31 December	**178**	**733**	**537**	**483**	**1 931**

Year ended 31 December 2021

in thousands of EUR	Asset retirement obligation provision	Employee benefits	Fines from RpVaR[1] and lawsuits	Other provisions	Provisions total
Balance as at 1 January	**207**	**933**	**730**	**544**	**2 414**
Creation	-	43	116	465	**624**
Usage	-9	-59	-77	-488	**-633**
Release	-18	-	-167	-33	**-218**
Actuarial losses	-	-24	-	-	**-24**
Interest expense	-	6	-	-	**6**
Changes due to translation differences	11	1	1	-	**13**
Balance as at 31 December	**191**	**900**	**603**	**488**	**2 182**

[1]RpVaR – Council for Broadcasting and Retransmission

28. Trade and other liabilities

in thousands of EUR	31 December 2022	31 December 2021
Trade liabilities	38 508	37 800
Liabilities from reimbursements	9 793	8 792
Accrued expenses	2 359	2 807
Other financial liabilities	1 342	2 299
Total	**52 002**	**51 698**

Liabilities from reimbursements represent volume discounts provided in connection with the contracts with customers.

Structure of liabilities according to their due dates is shown in the following table:

in thousands of EUR	31 December 2022	31 December 2021
Overdue liabilities	4 118	5 249
Liabilities within due date	47 884	46 449
	52 002	**51 698**

Almost one half of the overdue liabilities as at 31 December 2022 were paid by the reporting date. The Group expects that the remaining amount of the overdue liabilities will be paid by the end of 2023.

29. Other liabilities

in thousands of EUR	31 December 2022	31 December 2021
Liabilities towards employees and institutions of social security	5 015	3 649
Other tax liabilities	3 446	4 108
Contractual liabilities	2 688	2 078
Deferred income	155	85
Other	67	68
Total	**11 371**	**9 988**

As at 31 December 2022, the liabilities towards employees and institutions include a social fund liability in the amount EUR 73 thousand (as at 31 December 2021: EUR 65 thousand).

As at 1 January 2022, the opening balance of customer contractual liabilities amounted to EUR 2 078 thousand. For the year ended 31 December 2022, EUR 1 281 thousand of this amount was recognised as revenue of the current accounting period (from the opening balance of contractual liabilities as at 1 January 2021 in the amount of EUR 2 996 thousand, for the year ended 31 December 2021, EUR 2 449 thousand was recognised in revenue).

The majority of contractual liabilities relates to advance payments made by customers of the Group. The Group expects that the whole amount of contractual liabilities will be recognised in revenue in the following accounting period.

30. Risk management

This section provides details on the financial risks to which the Group is exposed to and the methods of their management. The most important types of financial risks to which the Group is exposed are credit risk, liquidity risk, market risk and operational risk. Market risk represents mainly interest rate risk and currency risk.

Liquidity risk

Liquidity risk is formed during financing the ordinary activities of the Group, concurrently with the ability to meet its obligations when due, and during management of financial positions. It poses a risk of failure to fund assets in adequate due date and interest rate and a risk of failure to realise assets for an appropriate price within a reasonable time period.

Individual companies in the Group use different methods for managing liquidity risk. The Group's management focuses on monitoring and managing liquidity of each individual company.

The following table presents an analysis of financial assets and liabilities of the Group presented according to the remaining contractual maturity of financial assets and liabilities as at the balance sheet date. The presented amounts also include estimated payments of interest and represent contractual undiscounted cash flows.

The maturity of financial assets and liabilities as at 31 December 2022 is as follows:

in thousands of EUR	**Carrying amount**	***Undis-counted cash flows***	**Up to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**2 to 5 years**	**Over 5 years**
Assets							
Cash and cash equivalents	20 612	*20 612*	20 612	-	-	-	-
Trade and other receivables	34 839	*34 839*	34 431	111	8	207	82
Other financial assets	378	*378*	378	-	-	-	-
Loans granted	2 798	*2 925*	-	2 496	55	344	30
	58 627	***58 754***	**55 421**	**2 607**	**63**	**551**	**112**
Liabilities							
Bank loans and interest-bearing loans and borrowings	-111 467	*-127 195*	-28 514	-20 545	-9 941	-68 195	-
Lease liabilities	-74 635	*-97 219*	-5 235	-14 210	-14 777	-36 844	-26 153
Trade and other liabilities	-52 002	*-52 002*	-36 112	-14 100	-1 628	-162	-
Issued bonds	-80 248	*-90 115*	-	-43 446	-24 669	-22 000	-
	-318 352	***-366 531***	**-69 861**	**-92 301**	**-51 015**	**-127 201**	**-26 153**

The differences between the current financial assets and liabilities are balanced by the Group as follows:

- The Group has several not fully drawn loans, which can be utilised when needed. Current financial needs are satisfied through overdraft facilities and undrawn credit lines. As at 31 December 2022 the Group recognises EUR 14 404 thousand (as at 31 December 2021: EUR 9 973 thousand) of undrawn credit lines.

30. Risk management (continued)

- The Group drew overdrafts in the amount of EUR 17 478 thousand as at 31 December 2022 (as at 31 December 2021: EUR 21 881 thousand). These loans are regularly prolonged. Based on past experience, the Group's management expects that the maturity of these loans will be extended for another year and therefore will not result during 2023 in a cash outflow equalling to the amount of drawn balances of overdrafts as at 31 December 2022.

- As at 31 December 2022, the Group presents as current assets Program rights and accrued internal Program rights amounting to EUR 46 683 thousand (as at 31 December 2021: EUR 41 937 thousand). Utilising Program rights and internal Program rights, the Group will gain cash inflow, during 2023 and ongoing periods depending on license agreements.

- If necessary, the Group may also use ISIN SK4120014390 bonds in the amount of EUR 10 722 thousand to fund current operating needs and/or liabilities of companies in the Group. The approved volume of the bond issue was EUR 50 000 thousand, of which as at 31 December 2022, the Group sold only bonds in the amount of EUR 39 278 thousand.

- If necessary, the Group may also use ISIN SK4000019972 bonds in the amount of EUR 10 066 thousand to fund current operating needs and/or liabilities of companies in the Group. The approved volume of the bond issue was in the amount of 35 thousand pieces with issue price 77.43% , thus with a total nominal value EUR 27 101 thousand, of which as at 31 December 2022, the Group sold bonds in the amount of EUR 17 035 thousand.

- As at 31 December 2022, the Group also recognises short-term issued bonds JOJ Media House 2023 IV. in the amount of EUR 39 999 thousand due on 7 August 2023. Based on current market situation, with a high probability the Group's management expects that the issued bonds due in 2023 will be partially or fully refinanced by a new bond issue in 2023. The Group is currently negotiating with the intermediary bank about the possible terms of the new issue.

- As at 31 December 2022, the Group also recognises loans in the amount of EUR 8 902 thousand within short-term loans, for which a contractual extension of maturity beyond one year was agreed with the financing bank after the reporting date.

30. Risk management (continued)

The maturity of financial assets and liabilities as at 31 December 2021 is as follows:

in thousands of EUR	**Carrying amount**	***Undis-counted cash flows***	**Up to 3 months**	**3 months to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**
Assets							
Cash and cash equivalents	22 418	*22 418*	22 418	-	-	-	-
Trade and other receivables	41 562	*41 562*	40 512	101	35	698	216
Other financial assets	446	*446*	446	-	-	-	-
Loans granted	2 981	*3 152*	-	2 001	760	391	-
	67 407	***67 578***	**63 376**	**2 102**	**795**	**1 089**	**216**
Liabilities							
Bank loans and interest-bearing loans and borrowings	-125 727	*-139 311*	-21 460	-38 740	-18 152	-60 959	-
Lease liabilities	-87 135	*-105 983*	-5 315	-14 069	-17 402	-38 725	-30 472
Trade and other liabilities	-51 698	*-51 698*	-43 777	-5 815	-1 749	-357	-
Issued bonds	-75 465	*-90 336*	-	-3 965	-40 513	-45 858	-
	-340 025	***-387 328***	**-70 552**	**-62 589**	**-77 816**	**-145 899**	**-30 472**

30. Risk management (continued)

Credit risk

The Group is facing this risk especially with trade receivables, other receivables and granted loans. The exposure to this risk is expressed by the carrying amount of these assets in the consolidated statement of financial position. The carrying amount of receivables and granted loans represent the maximum possible loss that would have to be recorded should the counterparty fail to meet its contractual obligations and all guarantees would have a zero value. This amount thus substantially exceeds the expected losses expressed by provision for bad debts.

The Company has not received any guarantees for its receivables.

Credit risk exposure by sector as at 31 December 2022 is as follows:

in thousands of EUR	**Corporations**	**Banks and financial institutions**	**Other**	**Total**
Assets				
Cash and cash equivalents	-	20 304	308	**20 612**
Trade and other receivables	34 448	40	351	**34 839**
Other financial assets	5	373	-	**378**
Loans granted	840	1 259	699	**2 798**
	35 293	**21 976**	**1 358**	**58 627**

Credit risk exposure by sector as at 31 December 2021 is as follows:

in thousands of EUR	**Corporations**	**Banks and financial institutions**	**Other**	**Total**
Assets				
Cash and cash equivalents	-	22 272	146	**22 418**
Trade and other receivables	39 777	21	1 764	**41 562**
Other financial assets	5	441	-	**446**
Loans granted	2 981	-	-	**2 981**
	42 763	**22 734**	**1 910**	**67 407**

As at 31 December 2022 , the average interest rate on provided loans was 4.09% (as at 31 December 2021: 4.77%).

As at 31 December 2022, loans granted include 2 significant loan which represent 45% of the total loans provided (as at 31 December 2021: 1 significant loan represented 25% of total loans provided).

30. Risk management (continued)

Credit risk exposure by country as at 31 December 2022 is as follows:

in thousands of EUR	**Slovak Republic**	**Czech Republic**	**Austria**	**Other**	**Total**
Assets					
Cash and cash equivalents	2 693	12 905	4 806	208	**20 612**
Trade and other receivables	19 044	12 959	1 019	1 817	**34 839**
Other financial assets	-	19	359	-	**378**
Loans granted	2 023	775	-	-	**2 798**
	23 760	**26 658**	**6 184**	**2 025**	**58 627**

Credit risk exposure by country as at 31 December 2021 is as follows:

in thousands of EUR	**Slovak Republic**	**Czech Republic**	**Austria**	**Other**	**Total**
Assets					
Cash and cash equivalents	6 779	10 514	4 867	258	**22 418**
Trade and other receivables	18 382	17 937	2 611	2 632	**41 562**
Other financial assets	-	19	427	-	**446**
Loans granted	2 321	660	-	-	**2 981**
	27 482	**29 130**	**7 905**	**2 890**	**67 407**

Credit risk exposure – impairment of financial assets:

Trade and other receivables

in thousands of EUR	**31 December 2022**				**31 December 2021**			
	Nominal value	**%**	**Impairment allowance**	**Carrying amount**	**Nominal value**	**%**	**Impairment allowance**	**Carrying amount**
Due maturity	24 333	58	-181	24 152	29 027	64	-939	28 088
Overdue 1-30 days	6 548	16	-131	6 417	7 433	16	-172	7 261
Overdue 31-180 days	3 732	9	-633	3 099	5 412	12	-375	5 037
Overdue 181-365 days	2 740	7	-1 958	782	1 145	2	-606	539
Overdue more than 365 days	3 987	10	-3 598	389	2 931	6	-2 294	637
	41 340	**100**	**-6 501**	**34 839**	**45 948**	**100**	**-4 386**	**41 562**

30. Risk management (continued)

Loans granted

in thousands of EUR	31 December 2022				31 December 2021			
	Nominal value	**%**	**Impairment allowance**	**Carrying amount**	**Nominal value**	**%**	**Impairment allowance**	**Carrying amount**
Due maturity	2 553	67	-500	2 053	3 605	89	-624	2 981
Overdue 1-30 days	443	12	-47	396	-	-	-	-
Overdue 31-180 days	55	1	-	55	-	-	-	-
Overdue more than 365 days	756	20	-462	294	464	11	-464	-
	3 807	**100**	**-1 009**	**2 798**	**4 069**	**100**	**-1 088**	**2 981**

Currency risk

The Group is exposed to currency risk especially in relation to USD and CZK. Long term contracts for purchasing Program rights are mostly denominated in USD that is why the Group manages the currency risk by forward contracts. Currency risk to CZK results mostly from interest-bearing borrowings denominated in CZK.

The following table provides an analysis of only those items of financial assets and liabilities of the Group that are denominated in a currency other than the functional currency of the individual Group companies.

Currency risk exposure as at 31 December 2022 is as follows:

in thousands of EUR	**EUR**	**CZK**	**USD**
Assets			
Cash and cash equivalents	114	8	28
Trade and other receivables	4	121	-
	118	**129**	**28**
Liabilities			
Bank loans and Interest-bearing loans and borrowings	-	10 940	-
Trade and other liabilities	26	118	6 439
	26	**11 058**	**6 439**

Currency risk exposure as at 31 December 2021 is as follows:

in thousands of EUR	**EUR**	**CZK**	**USD**
Assets			
Cash and cash equivalents	396	492	24
Trade and other receivables	147	89	-
Loans granted	54	-	-
	597	**581**	**24**
Liabilities			
Bank loans and Interest-bearing loans and borrowings	4	10 128	-
Trade and other liabilities	44	325	4 212
	48	**10 453**	**4 212**

30. Risk management (continued)

Sensitivity analysis
Strengthening of the euro by 10% against foreign currencies listed below would have the following effect on the portfolio (in case of a weakening, the opposite effect). This analysis assumes that all other variables, in particular interest rates, remain unchanged.

in thousands of EUR	**Effect on portfolio**
31 December 2022	
CZK	994
USD	585
31 December 2021	
CZK	897
USD	384

Interest rate risk

The operations of the Group are exposed to the interest rate fluctuations. The scope of this risk is equal to the amount of interest-bearing assets and liabilities, whose interest rate at their maturity or at the moment of an interest rate change varies from the current interest rate. The period during which the financial instrument has set a fixed interest rate reflects the exposure to the risk in changes in interest rates.

Profile of financial instruments
As at the balance sheet date, the interest rate profile of the interest-bearing financial instruments of the Group is as follows:

in thousands of EUR	**31 December 2022**	**31 December 2021**
Fixed interest rate		
Cash and cash equivalents, and loans granted	23 102	25 253
Bank loans and interest-bearing loans and borrowings	-11 463	-10 583
Issued bonds	-80 248	-75 465
Lease liabilities	-74 635	-86 953
	-143 244	**-147 748**
Floating interest rate		
Bank loans and interest-bearing loans and borrowings	-100 004	-115 144
Lease liabilities	-	-182
	-100 004	**-115 326**

Sensitivity analysis for instruments with variable interest rates
A change by 100 basis points in interest rates would have the following effect on the portfolio:

in thousands of EUR	**31 December 2022**	**31 December 2021**
A decrease in interest rates by 100 bp	988	1 144
An increase in interest rates by 100 bp	-988	-1 144

30. Risk management (continued)

Operational risk

The Group is also exposed to operational risk, such as outage in broadcasting. The Group manages this risk by diversifying transmissions and implementing backup technological solutions for eliminating this risk.

Furthermore, the Group is exposed to a risk that the rental contracts for areas beneath its advertising equipment will not be renewed in the future. This risk is mitigated by diversifying the providers of space for advertising equipment.

Capital management

Management of the Company considers equity as capital for the purposes of the capital management. The aim of the Group in the capital management is to continue as going concern, to provide sufficient return on capital to the shareholders and benefits for other shareholders. The aim is also to keep optimal structure of capital with the aim of reduction of the financing costs.

Management of the Group manages the shareholders' equity recognised in accordance with the International Financial Reporting Standards as adopted by EU as at 31 December 2022 in the amount of EUR 27 119 thousand (as at 31 December 2021: EUR 24 744 thousand).

The Group monitors structure of the capital based on the ratio of the total debt to the total of equity and liabilities. Total debt is calculated as the amount of bank loans, interest rate borrowings and issued bonds (including short term portions as recognised in the Consolidated statement of the financial position).

If necessary, the parent company provides financial support by increasing the equity through other capital funds. For the year ended 31 December 2022 and for the year ended 31 December 2021, other capital funds were not increased by the parent company TV JOJ L.P.

31. Fair value information

The following summary includes information about carrying and fair values of financial assets and liabilities of the Group which are not carried at fair value. The summary does not include financial assets and liabilities whose nominal value approximates fair value. Lease liabilities do not require fair value disclosure.

in thousands of EUR	**31 December 2022**			**31 December 2021**		
	Carrying amount	**Fair value Level 2**	**Fair value Level 3**	**Carrying amount**	**Fair value Level 2**	**Fair value Level 3**
Financial assets						
Loans granted	2 798	-	2 654	2 981	-	2 921
Financial liabilities						
Bank loans	91 294	92 605	-	106 465	108 161	-
Interest-bearing loans and borrowings	20 173	18 874	-	19 262	18 718	-
Issued bonds	80 248	75 844	-	75 465	74 469	-

The main methods and assumptions used in estimating fair values are discussed in Note 2 - Significant Accounting Policies - accounting policy w).

32. Contingent liabilities

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available.

In addition to the above-mentioned guarantee for the Group's loan liabilities in Note 24 - Bank loans and Interest-bearing loans and borrowings, the Group as at 31 December 2022 guarantees in the form of payment guarantees for third party loan liabilities in the amount of EUR 4 746 thousand (as at 31 December 2021: EUR 4 278 thousand).

33. Subsequent events

On 1 January 2023, Croatia entered the eurozone with a fixed conversion rate of the Croatian currency at 7.5345 kunas per euro.

On 28 February 2023, Barrandia s.r.o., Bilbo City s.r.o. and QEEP, a.s. ceased to exist due to the merger with the successor company News Advertising s.r.o.

On 28 February 2023, the company MACH - NARWALL, spol. s r. o. ceased to exist due to the merger with the successor company outdoor akzent s.r.o.

34. Other events

The contract concluded between Czech Outdoor s.r.o. and Ředitelstvím silnic a dálnic ČR

Given that a group of 17 senators submitted a constitutional complaint before the effective date of the amendment to Act no. 13/1997 challenging the transitional provisions of this amendment terminating valid permits for advertising equipment in the protection zone of highways, and there was a real possibility that the Constitutional Court will repeal these transitional provisions and the contract between Czech Outdoor s.r.o. and Ředitelstvím silnic a dálnic ČR is valid until its expected termination on 31 December 2018, Czech Outdoor s.r.o. continue to consider this contract to be potentially valid and to meet its obligations stipulated in the contract. Contract subject is the payment of rent in full. Czech Outdoor s.r.o. continued to pay rent in the period from 1 September 2017 to 31 December 2017 as well as throughout 2018. The amount of rent is approximately EUR 843 thousand (20 705 thousand CZK). Ředitelství silnic a dálnic ČR received these amounts, but did not issue any tax documents or receipts. Within the Group's financial statements, the rent is included in the advances provided.

On 19 February 2019, the Constitutional Court rejected the senators' complaint which definitively confirmed that the lease contract is not valid from 1 September 2017. Czech Outdoor s.r.o. therefore applied to Ředitelství silnic a dálnic ČR for the refund of the majority of the rent relating to the invalid contract. Currently, two lawsuits have been filed against Ředitelství silnic a dálnic ČR for the refund of part of the rent. As at 31 December 2022, the dispute is settled in court. No decision has yet been issued in this case. An amicable settlement of the dispute is currently in progress.

35. Group entities

A list of the Group entities as at 31 December 2022 is as follows:

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovak Republic	100%	direct	Full
Slovenská produkčná, a.s.	Slovak Republic	94.96%	direct	Full
MAC TV s.r.o.	Slovak Republic	100%	indirect	Full
PMT, s.r.o.	Slovak Republic	27%	indirect	Equity
DONEAL, s.r.o.	Czech Republic	100%	indirect	Full
Magical roof s.r.o.	Czech Republic	80%	indirect	Full
Československá filmová společnost, s.r.o.	Czech Republic	100%	indirect	Full
Akzent BigBoard, a.s.	Slovak Republic	100%	direct	Full
BigMedia, spol. s r.o.	Slovak Republic	100%	indirect	Full
RECAR Bratislava a.s.	Slovak Republic	70%	indirect	Full
RECAR Slovak Republic a.s.	Slovak Republic	100%	indirect	Full
BHB, s.r.o.	Slovak Republic	51%	indirect	Full
QEX Plochy s. r. o.	Slovak Republic	80%	indirect	Full
Akcie.sk, s.r.o.	Slovak Republic	100%	direct	Full
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH	Austria	100%	indirect	Full
R + C Plakatforschung und –kontrolle Gesellschaft mbH	Austria	51%	indirect	Full
Starhouse Media, a. s.	Slovak Republic	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	indirect	Full
Muchalogy s.r.o. [8]	Czech Republic	19%	indirect	Full
Czech Outdoor s.r.o.[3]	Czech Republic	100%	indirect	Full
Expiria, a.s.	Czech Republic	100%	indirect	Full
RAILREKLAM, spol. s r.o.	Czech Republic	100%	indirect	Full
MG Advertising, s.r.o.	Czech Republic	50%	indirect	Equity
QEEP, a.s.	Czech Republic	100%	indirect	Full
Barrandia s.r.o. [1]	Czech Republic	100%	indirect	Full
Czech Testing s.r.o.	Czech Republic	100%	indirect	Full
outdoor akzent s.r.o.	Czech Republic	100%	indirect	Full
Bilbo City s.r.o.	Czech Republic	100%	indirect	Full
Velonet ČR, s.r.o.	Czech Republic	100%	indirect	Full
News Advertising s.r.o.	Czech Republic	100%	indirect	Full
Flowee s.r.o. [4]	Czech Republic	52%	indirect	Full
Kitchen Lab s.r.o. [5]	Czech Republic	70%	indirect	Full
Nadační fond BigBoard	Czech Republic	100%	indirect	Full
BigZoom a.s.[7]	Czech Republic	76.67%	indirect	Full
Programmatic marketing, s.r.o.	Czech Republic	100%	indirect	Full
Hyperinzerce, s.r.o.	Czech Republic	100%	indirect	Full
Eremia, a.s. [6]	Czech Republic	100%	indirect	Full

35. Group entities (continued)

A list of the Group entities as at 31 December 2022 is as follows (continued):

	Country of registration	Company share held	Control	Consolidation method
Quantio, s.r.o.	Czech Republic	66%	indirect	Full
Hyperslevy.cz, s.r.o.	Czech Republic	50.5%	indirect	Full
Slovenská inzercia, s. r. o.	Slovak Republic	100%	indirect	Full
Hyperinzercia, s. r. o.	Slovak Republic	100%	indirect	Full
Inzeris s.r.o. [9]	Czech Republic	70%	indirect	Full
MetroZoom s.r.o.	Czech Republic	100%	indirect	Full
PRAHA TV s.r.o. [13]	Czech Republic	40%	indirect	Equity
CovidPass s.r.o.	Czech Republic	100%	indirect	Full
MACH - NARWALL, spol. s r. o.	Czech Republic	100%	indirect	Full
HROT, s.r.o. [11]	Czech Republic	51%	indirect	Full
News Media s.r.o. [10]	Czech Republic	70%	indirect	Full
eFabrica, a. s.	Slovak Republic	72%	direct	Full
Radio Services a.s. [12]	Slovak Republic	100%	direct	Full
Lafayette s. r. o.	Slovak Republic	100%	direct	Full
NOVI LIST d.d.	Croatia	84.32%	direct	Full
Glas Istre Novine d.o.o. [2]	Croatia	89.05%	direct	Full
NIVEL PLUS s.r.o.	Slovak Republic	100%	direct	Full
PTA Group s. r. o.	Slovak Republic	70%	direct	Full

35. Group entities (continued)

A list of the Group entities as at 31 December 2021 is as follows

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovak Republic	100%	direct	Full
Slovenská produkčná, a.s.	Slovak Republic	94.96%	direct	Full
MAC TV s.r.o.	Slovak Republic	100%	indirect	Full
PMT, s.r.o.	Slovak Republic	27%	indirect	Equity
DONEAL, s.r.o.	Czech Republic	100%	indirect	Full
Magical roof s.r.o.	Czech Republic	80%	indirect	Full
Československá filmová společnost, s.r.o.	Czech Republic	100%	indirect	Full
Akzent BigBoard, a.s.	Slovak Republic	100%	direct	Full
BigMedia, spol. s r.o.	Slovak Republic	100%	indirect	Full
RECAR Bratislava a.s.	Slovak Republic	70%	indirect	Full
RECAR Slovak Republic a.s.	Slovak Republic	100%	indirect	Full
BHB, s.r.o.	Slovak Republic	51%	indirect	Full
QEX Plochy s. r. o.	Slovak Republic	80%	indirect	Full
Akcie.sk, s.r.o.	Slovak Republic	100%	direct	Full
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH	Austria	100%	indirect	Full
R + C Plakatforschung und –kontrolle Gesellschaft mbH	Austria	51%	indirect	Full
Starhouse Media, a. s.	Slovak Republic	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	indirect	Full
Muchalogy s.r.o. [8]	Czech Republic	19%	indirect	Full
Czech Outdoor s.r.o.[3]	Czech Republic	100%	indirect	Full
Expiria, a.s.	Czech Republic	100%	indirect	Full
RAILREKLAM, spol. s r.o.	Czech Republic	100%	indirect	Full
MG Advertising, s.r.o.	Czech Republic	50%	indirect	Equity
QEEP, a.s.	Czech Republic	100%	indirect	Full
Barrandia s.r.o. [1]	Czech Republic	100%	indirect	Full
Czech Testing s.r.o.	Czech Republic	100%	indirect	Full
outdoor akzent s.r.o.	Czech Republic	100%	indirect	Full
Bilbo City s.r.o.	Czech Republic	100%	indirect	Full
Velonet ČR, s.r.o.	Czech Republic	100%	indirect	Full
D & C AGENCY s.r.o.	Czech Republic	100%	indirect	Full
News Advertising s.r.o.	Czech Republic	100%	indirect	Full
Flowee s.r.o. [4]	Czech Republic	52%	indirect	Full
Kitchen Lab s.r.o. [5]	Czech Republic	70%	indirect	Full
Nadační fond BigBoard	Czech Republic	100%	indirect	Full
BigZoom a.s.[7]	Czech Republic	76.67%	indirect	Full
Programmatic marketing, s.r.o.	Czech Republic	100%	indirect	Full
Hyperinzerce, s.r.o.	Czech Republic	100%	indirect	Full
Eremia, a.s. [6]	Czech Republic	100%	indirect	Full
Quantio, s.r.o.	Czech Republic	66%	indirect	Full
Hyperslevy.cz, s.r.o.	Czech Republic	50.5%	indirect	Full
Slovenská inzercia, s. r. o.	Slovak Republic	100%	indirect	Full
Hyperinzercia, s. r. o.	Slovak Republic	100%	indirect	Full
Inzeris s.r.o. [9]	Czech Republic	70%	indirect	Full
MetroZoom s.r.o.	Czech Republic	100%	indirect	Full

35. Group entities (continued)

A list of the Group entities as at 31 December 2021 is as follows (continued):

	Country of registration	Company share held	Control	Consolidation method
PRAHA TV s.r.o. [13]	Czech Republic	34%	indirect	Equity
CovidPass s.r.o.	Czech Republic	100%	indirect	Full
eFabrica, a. s.	Slovak Republic	72%	direct	Full
Radio Services a.s. [12]	Slovak Republic	100%	direct	Full
FORWARD-MEDIA, spol. s r.o. [12]	Slovak Republic	100%	indirect	Full
E2 Services, a. s. [12]	Slovak Republic	100%	indirect	Full
TA Services, s.r.o. [12]	Slovak Republic	100%	indirect	Full
Lafayette s. r. o.	Slovak Republic	100%	direct	Full
NOVI LIST d.d.	Croatia	84.32%	direct	Full
Glas Istre Novine d.o.o. [2]	Croatia	89.05%	direct	Full
NIVEL PLUS s.r.o.	Slovak Republic	100%	direct	Full
PTA Group s. r. o.	Slovak Republic	70%	direct	Full

[1] The Group owns a 50% share in Barrandia s.r.o. through its subsidiary BigBoard Praha, a.s. and 50% share through its subsidiary QEEP, a.s.

[2] The Group owns a 59.05% share in Glas Istre Novine d.o.o. through the parent company JOJ Media House, a. s. and 30% share through its subsidiary NOVI LIST d.d.

[3] The Group owns a 99.9% share in Czech Outdoor s.r.o. through its subsidiary BigBoard Praha, a.s. and 0.1% share through its subsidiary BigMedia, spol. s r.o. (Czech Republic).

[4] Although the Group's effective share in Flowee s.r.o. is less than 50%, the Group assessed, that it has a control over the company through its subsidiary BigBoard Praha, a.s.

[5] Although the Group's effective share in Kitchen Lab s.r.o. is less than 50%, the Group assessed, that it has a control over the company through its subsidiary BigBoard Praha, a.s.

[6] The Group owns a 4.12% share in Eremia, a.s. through its subsidiary BigBoard Praha, a.s. a 95,88% share through its subsidiary BigZoom a.s.

[7] Although the Group's effective share in group companies of BigZoom a.s. is less than 50%, the Group assessed, that it has a control over the group through its subsidiary BigBoard Praha, a.s.

[8] Although the Group's effective share in Muchalogy s.r.o. is less than 50%, the Group assessed, that it has a control over the company through its subsidiary BigBoard Praha, a.s.

[9] Although the Group's effective share in Inzeris s.r.o. is less than 50%, the Group assessed, that it has a control over the company through its subsidiary BigBoard Praha, a.s.

[10] Although the Group's effective share in News Media s.r.o. is less than 50%, the Group assessed, that it has a control over the company through its subsidiary BigBoard Praha, a.s.

[11] Although the Group's effective share in HROT, s.r.o. is less than 50%, the Group assessed, that it has a control over the company through its subsidiary BigBoard Praha, a.s.

35. Group entities (continued)

[12] On 1 September 2022, FORWARD-MEDIA, spol. s.r.o., E2 Services, a. s., TA Services, s.r.o. and GES Slovakia, s.r.o. ceased to exist due to the merger with the successor company Radio Services a.s.

[13] On 14 December 2022, the Group through its subsidiary BigBoard Praha, a.s. purchased a 6% share in the company PRAHA TV s.r.o.

36. Related parties

Identification of related parties

The Group considers the following as related parties: shareholders of the parent entity, companies controlled by the shareholders of the Company, associates, joint ventures, the Company's key management personnel and entities controlled by the Company's key management personnel and other related parties.

Transactions with key management personnel

For the year ended 31 December 2022, the key management personnel of the Company received a remuneration in the amount of EUR 149 thousand (for the year ended 31 December 2021: EUR 127 thousand).

Other related parties transactions

As at 31 December 2022, the Group recognised receivables from joint ventures in the amount of EUR 27 thousand, receivables from other associated companies in the amount of EUR 12 thousand and liabilities towards associates in the amount of EUR 2 thousand (as at 31 December 2021, the Group recognised receivables from joint ventures in in the amount of EUR 10 thousand and receivables from other related parties in the amount of EUR 499 thousand).

For the year ended 31 December 2022, the Group recognised costs towards associates in the amount of EUR 11 thousand, costs towards joint ventures in the amount of EUR 2 thousand and costs towards other related parties in the amount of EUR 764 thousand. The Group recognised revenues in the amount of EUR 565 thousand to associated companies, EUR 2 thousand to joint ventures, and EUR 54 thousand to other related parties (for the year ended 31 December 2021, the Group recognised costs to the Company's shareholders in the amount of EUR 10 thousand and costs to other related parties in the amount of EUR 156 thousand. The Group recognised revenue in the amount of EUR 246 thousand to other related parties).

The Group does not have any other transactions with related parties.

Transactions with related parties are realised at arm's length.

37. Approval of consolidated financial statements

The financial statements, on pages 1 to 93 for the year ended 31 December 2022 were prepared and approved by the Board of Directors for issue on 14 April 2023.

Mgr. Richard Flimel
Chairman of the Board of
Directors

JOJ Media House, a. s.
Annual Report
2022

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01 A FOREWORD

Dear Business Partners and Colleagues,

After more than two years of combatting the COVID-19 pandemic, I had hoped that, when addressing you this year, everything would be like in the “good old days“. Unfortunately, I am reaching out to you at a time of uncertainty caused by the war in Ukraine, Europe’s first armed conflict since the Second World War. Continued inflation, energy market instability and the complicated economic and political situation both in Slovakia and internationally have undoubtedly contributed to the high level of public uncertainty. Despite the aforementioned unfavourable circumstances, I am pleased to inform you that JOJ Media House enjoyed much success in the past year.

Three facts in particular contributed to it: increased demand for television advertising, the launch of our new programme services and, last but not least, responsible and qualified corporate management. The higher demand for television advertising can be attributed primarily to original scripts from local writers and co-productions with foreign studios. To meet our viewer’s ever-changing interests, our programming was expanded with the debut of JOJ 24, JOJ Play and JOJ Sport, which reflected the increased interest in advertising on the JOJ network we saw in the first months of 2023. Despite unfavourable public domain conditions, which have had an impact on operating and production costs, I should emphasise the high level of management expertise in our organisation and their recall of the last major financial crisis in 2008, which today's environment closely resembles. Today, Media House and JOJ is in a better position to meet advertising demand and offer viewers a highly competitive experience better than ever before.

As a responsible organisation, we see the importance of sustainability in business. That is why we support socially and environmentally responsible governance, while also noting that advertisers and media agencies are emphasising much more the reduction of their carbon footprint and commitment to the environment in their campaigns. Here we see ESG as an opportunity, particularly in our digital outdoor campaigns, which offer a better ratio of campaign performance to the carbon footprint produced than other media. Further developing this business and socially responsible outdoor opportunity will be among our highest priorities.

JOJ Media House also welcomes, after 20 years, a media law that finally takes into account modern media on the market. The new legislation builds on many of our comments and reflects the growth of online space, whose risks far outweigh the strictly regulated content found in other more traditional media outlets.

Finally, I would like to thank our staff for their excellent work throughout the year and our business partners and investors for their continued trust and cooperation. Despite the difficult economic situation we are currently facing, I believe that JOJ Media House will be moving forward in 2023 and next year I will be announcing to you another successful year for our company, but also providing you with a positive outlook on the overall situation in the whole of society.

Richard Flimel
Chairman of the Board, JOJ Media House, a.s.

02 CORPORATE PROFILE

Since its incorporation on 6 November 2010, JOJ Media House, a.s., ("parent" or jointly with its subsidiaries the "Group") has ranked among the leading media companies not only in Slovakia and the Czech Republic but also in Austria and Croatia and is continuously strengthening its position.

Slovak Republic

In Slovakia, JOJ Media House operates in the following market areas:

Television broadcasting and production

- Slovenská produkčná, a.s. (94.96% owned), through which JOJ Media House has interest in the following companies:
- MAC TV s.r.o. (wholly-owned) holds a license to broadcast the television channels TV JOJ, PLUS, WAU, JOJ Šport, RiK and Ťuki TV. It also operates the Group's internet portals
- DONEAL, s.r.o. (wholly-owned) holds a license to broadcast JOJ Cinema
- Magical roof s.r.o. (80% owned) holds a license to broadcast JOJ FAMILY
- Československá filmová společnost, s.r.o. (wholly owned) operates the TV stations CS Film, CS Horror, CS History and CS Mystery
- PMT, s.r.o. (27% owned) uses people meters to electronically measure television audiences

Outdoor advertising

- Akzent BigBoard, a.s. (wholly-owned), through which JOJ Media House has interest in the following companies:
- BigMedia, spol. s r.o. (wholly-owned) exclusively sells advertising to carriers of its parent and other above companies
- RECAR Slovensko a.s. (wholly owned) handles advertising in means of transport
- RECAR Bratislava a. s. (70% owned) handles advertising in means of transport within Bratislava, the capital of Slovakia
- BHB, s.r.o. (51% owned) sells advertising s of a particular nature
- QEX Plochy s. r. o. (80% owned) sells advertising on digital media.

Internet and application development

- eFabrica, a. s. (72% owned) focuses on development of Internet applications, web design, operation of Internet domains and technical support.

Other sectors

- JOJ Media House, a.s., holds 30% of the shares in Starhouse Media, a.s., which manages artists

- Lafayette s. r. o. (wholly-owned) currently has no business activities
- NIVEL PLUS s.r.o. (wholly-owned) is engaged in newspaper publishing
- PTA Group s. r. o. (70% owned) operates as a digital media agency
- Radio Services a.s. (wholly-owned) provides comprehensive services to radio broadcasters

Czech Republic

Outdoor advertising

In the outdoor advertising sector in the Czech Republic, JOJ Media House, a.s. holds 60% of shares in BigBoard Praha, a.s., through its subsidiaries the leader in the Czech outdoor advertising market. BigBoard Praha, a.s., has interest in the following companies:

- BigMedia, spol. s r.o. (wholly-owned) leases its network's advertising space
- Muchalogy s.r.o. (19% owned)
- Czech Outdoor s.r.o. (wholly-owned) – leases advertising space
- Czech Testing s.r.o. (wholly-owned) leases advertising space
- MG Advertising, s.r.o. (50% owned) leases advertising space
- Barrandia s.r.o. (wholly-owned) leases advertising space
- Expiria, a.s. (wholly-owned) leases advertising space,
- RAILREKLAM, spol. s r.o. (wholly-owned) leases advertising space on property owned by České dráhy, a.s.
- outdoor akzent s.r.o. (wholly-owned) is the leader in billboard outdoor advertising in the Czech Republic.
- Bilbo City s.r.o. (wholly-owned) leases advertising space
- Velonet ČR, s.r.o. (wholly-owned) leases advertising space and is involved in bike sharing
- Qeep, a.s. (wholly-owned) focuses on large-format outdoor media and LED screens in the centre of Prague,
- News Advertising s.r.o. (wholly-owned) leases advertising, especially double big board spaces
- Flowee s.r.o. (52% owned) operates the Czech Republic's biggest modern lifestyle website
- Kitchen Lab s.r.o. (70% owned) operates the web and mobile application kucharky.cz,
- Nadační fond BigBoard (wholly-owned) manages an endowment fund for charitable activities and assistance to persons in need
- MetroZoom s.r.o. (wholly-owned) sells advertising space at Prague metro stations

- BigZoom a.s. (76.7% owned) is engaged with its subsidiaries below principally in internet marketing, managing a website agency and operating discount and other portals
- Hyperslevy.cz, s.r.o. (50.5% owned)
- Quantio, s.r.o (66% owned)
- Hyperinzerce, s.r.o. (wholly-owned)
- Programmatic marketing, s.r.o. (wholly-owned)
- Eremia, a.s. (wholly-owned)
- Hyperinzercia, s.r.o. (SK) (wholly-owned)
- Slovenskainzercia s.r.o. (SK) (wholly-owned)
- PRAHA TV s.r.o. (40% share) is a Prague regional television channel
- CovidPass s.r.o. (wholly-owned)
- Inzeris s.r.o. (70% owned)
- News Media s.r.o. (70% owned)
- MACH - NARWALL, spol. s r. o. (wholly-owned)
- HROT, s.r.o. (51% owned)

Austria

JOJ Media House, a.s. is the sole shareholder of Akcie.sk, s.r.o., which wholly owns EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH ("EPAMEDIA"), a company with the second-largest outdoor advertising market share in Austria. EPAMEDIA has interest in the following companies:

- R&C Plakatforschung und –Kontrolle Ges.m.b.H. (51% owned).

Croatia

In 2016, JOJ Media House, a.s. expanded its presence in Croatia's print media sector, where it has interest in the following companies.

Print Media

- NOVI LIST d.d. (84% owned) publishes the newspaper *Novi List*
- GLAS ISTRE NOVINE d. o. o. (89% owned) publishes the newspaper *Glas Istre*.

03 CORPORATE VALUES

JOJ Media House’s Vision

To become a major Central European media company and secure long-term satisfaction among its customers with its media services and products for effective communication of advertising to target groups.

JOJ Media House’s mission

To provide high quality media services to society in general and to business partners through continuous expansion and improvement of our products.

JOJ Media House’s Strategy

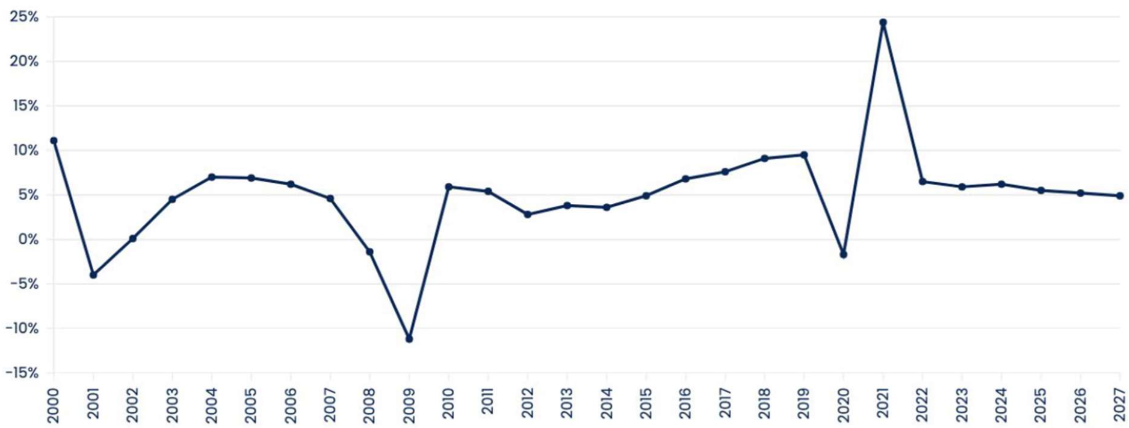
To expand its products through both organic and inorganic growth in Central and Eastern Europe and by streamlining of the activities of individual companies within the Group through synergistic links.

04 MEDIA MARKET ANALYSIS

According to the European Central Bank (ECB), high inflation, uncertainty and weak consumer and business confidence will slow **economic growth from 3.4% in 2022 to 0.5% in 2023.** Once energy markets are rebalanced, shortages in the supply of goods should be eliminated and external demand strengthened, with growth to recover to 1.9% in 2024 and 1.8% in 2025. Inflation will remain high in the short term, but will fall sharply to 3.6% by the end of 2023. Easing pressures from energy prices and other costs, together with the ECB monetary policy measures, should bring inflation back towards the 2% inflation target by the second half of 2025.

GroupM, a global advertising media company, forecasts **global advertising growth of 6.5% in 2022** (excluding political advertising in the US) in its December forecast. This is lower than the company's June forecast, mainly due to lowered expectations in China. However, excluding China, growth is projected at 8.1% for 2022. Despite economic uncertainty and inflation, GroupM notes that only two of the 62 markets it tracks will be hit by negative growth in nominal terms in 2022. The company's global forecast **projects growth of 5.9% in 2023,** with 26 markets forecasting advertising growth above average global inflation, 32 markets forecasting below-inflation nominal growth, and only four markets hit by nominal declines.

Total ad growth excluding political advertising in the US

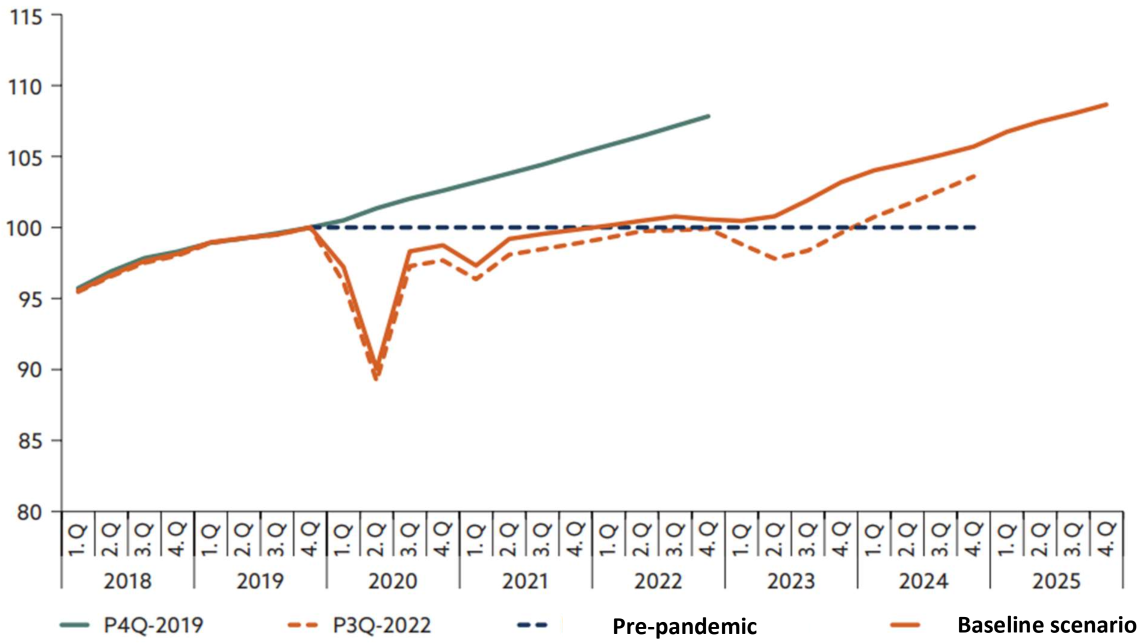


Source: GroupM

Media Market in the Slovak Republic

The National Bank of Slovakia expects that measures the government is taking to control energy prices will prevent a decline in living standards during 2023. However, these interventions will burden public finances and result in increased uncertainty about the future. If spot energy prices remain high, households can expect their energy bills to rise significantly by 2025 and inflation may remain elevated for an extended period. The Bank also expects a deterioration in fiscal performance, with a budget deficit projected at 5.9% of GDP in 2023 and 5.5% of GDP in 2024. In late 2022 and early 2023, the **world economy is expected to cool**, which may lead to a slight economic downturn in Slovakia. However, the global recovery is expected to give the Slovak economy a positive boost in the coming years. The impact of the war in Ukraine and Europe's response to the energy crisis pose significant risks to the economy.

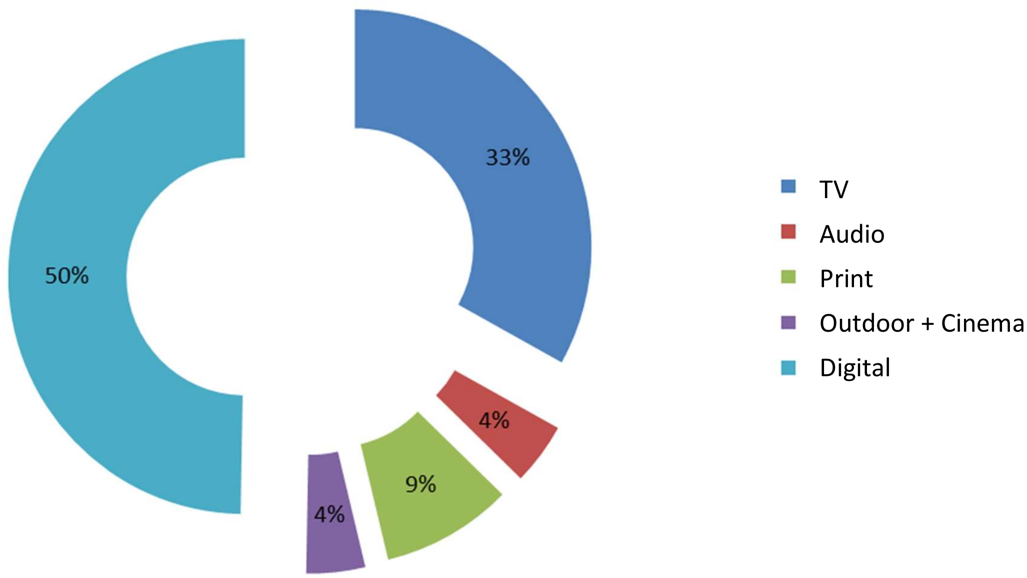
Forecast GDP (index, Q4 2019 = 100)



Source: National Bank of Slovakia

According to Kantar, **spending on advertising in Slovakia increased 14.5%** in 2022, exceeding € 3.7 billion. The most money was spent on TV advertising, which grew 13.8% to € 3.2 billion, while second-place internet advertising rose 74.5% to € 162 million. On the other hand, radio advertising declined 11.2% to € 94 million. Spending on outdoor advertising increased by 18.3% to almost € 67 million and on newspapers by 7.4% to almost € 62 million. However, the biggest growth came from cinema advertising (+182.7% to € 3.5 million) and indoor advertising (+118% to € 2.8 million), which had been related to the pandemic and rose from a low level due to weaker years. Kantar measures internet advertising expenditure only in display advertising such as videos and banners, quoting them at list prices without discounts, barters or bonuses. Lidl and Kaufland were the largest advertisers, followed by Tipos, Coop Jednota, Slovak Telekom, Orange, Billa, Alza, O2 and Slovenská sporiteľňa.

Media market share in Slovakia in 2022



Source: GroupM

Television Advertising

Economies in both the Eurozone and Slovakia grew in 2022, which also had a positive impact on media investments. GroupM estimated that television advertising rose 9% as television continues to occupy an important position in Slovakia's media market with a **market share of 33 %.**

The television advertising market can be considered stable, as no new competitors entered and there were no significant legislative amendments in 2022. On the other hand, JOJ Media House's largest competitor changed hands in 2020 when **PPF Group** agreed to acquire Central European Media Enterprises (CME) for an estimated $2.1 billion. In October 2020, the European Commission approved the acquisition of the CME media company by PPF Group NV, concluding that the transaction would not give rise to any competition concerns in the European Economic Area. CME had included television stations in five countries in Central and Eastern Europe, including Slovakia-based Markíza.

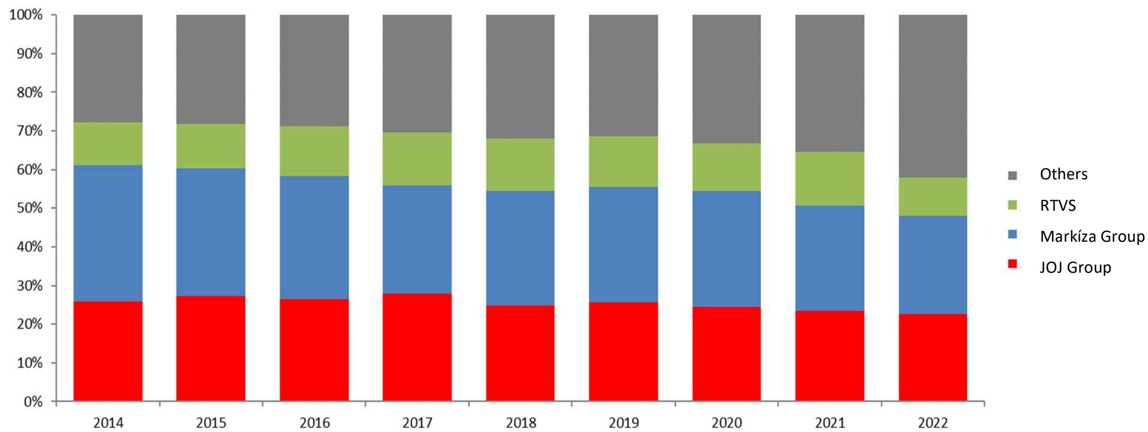
Major providers of television advertising continue to be the following companies:

MARKÍZA - SLOVAKIA, spol. s r.o. (member of Central European Media Enterprises Ltd.), which broadcasts programming over the TV channels Markíza, Doma, Dajto and others

Rozhlas a televízia Slovenska is a public service television organisation that broadcasts programming over the TV channels Jednotka, Dvojka, 24 and Šport,

JOJ GROUP, which broadcasts programming over TV channels JOJ, PLUS, WAU, Jojko, Ťuki TV, JOJ Cinema, JOJ Family, JOJ Šport, JOJ 24 and others.

Prime time share by year (% 12-54)



Source: TNS

Outdoor Advertising

GroupM estimates that the Slovak **outdoor advertising market grew 23.6% in 2022**. Its share of the total advertising market has also grown in recent years and growth is expected to remain at around 4% in the coming years. JOJ Media House leads in the outdoor advertising market, holding 100% of shares in Akzent BigBoard, a.s. which started up in 2008 and has managed over the years to build a strong group of companies engaged in outdoor advertising. The Akzent BigBoard Group has been consistently strengthening its position in the outdoor advertising market, not only by expanding its product portfolio, but also by providing full, comprehensive services and streamlining its organisational structure and overcoming administrative challenges in selling outdoor advertising.

In the first half of 2022, external factors such as the ongoing COVID-19 pandemic, changes in advertising strategies and the military conflict in Ukraine roiled the market. Despite these obstacles, Akzent BigBoard **achieved higher sales and higher occupancy** than in the previous year. The second half of 2022 was marked by market recovery, fundamentally influenced by municipal elections and higher demand for advertising space. It still was able to maintain its market leadership at the end of the year even as it was hit by client uncertainty over energy prices.

Radio Advertising

On 21 April 2015, JOJ Media House, a.s., entered the radio advertising market with the acquisition of Harad, a.s., the parent of Radio Services, s.r.o. It provides comprehensive services to radio broadcasters from the sale of advertising time in order to fund production of broadcasting content. Since 1 January 2016, Radio Services, a.s., has exclusively sold commercial space for four established nationwide radio stations: Rádio Vlna, Rádio Anténa Rock, Rádio Jemné and Rádio Europa 2. **In 2021, the Group ceased operations in the radio segment** with the acquisition of Radio Jemné and Europa 2 by Bauer Media Audio and the takeover of Rádio Vlna by Fun Media Group. Radio Services then terminated its contract with these stations and has no further plans to provide services to radio broadcasters.

Print Media

In October 2016, JOJ Media House expanded its presence in the print media segment when it purchased 100% of NIVEL PLUS s.r.o., which publishes **Bratislavské noviny.** It is a free newspaper delivered to Bratislava households and ranks among the largest periodicals in Slovakia. In addition, JOJ MEDIA House has published **Petržalské noviny**, a regional periodical, since May 2018.

While print in Slovakia has gradually lost share in the total media market, no further decline is anticipated in coming years, with total print media spending expected to remain above 8%. Early 2022 saw print still affected by the novel coronavirus pandemic, with **regional elections and election campaigning** boosting advertising revenues in the Bratislava and Petržalka newspapers in the second half of the year**.** They were able to offer an attractive PR platform for the candidacies and visualise their image, with Bratislavské noviny provided detailed coverage, reports and interviews with the candidates both in the printed newspaper and in its respected portal bratislavskenoviny.sk.

Austrian Media Market

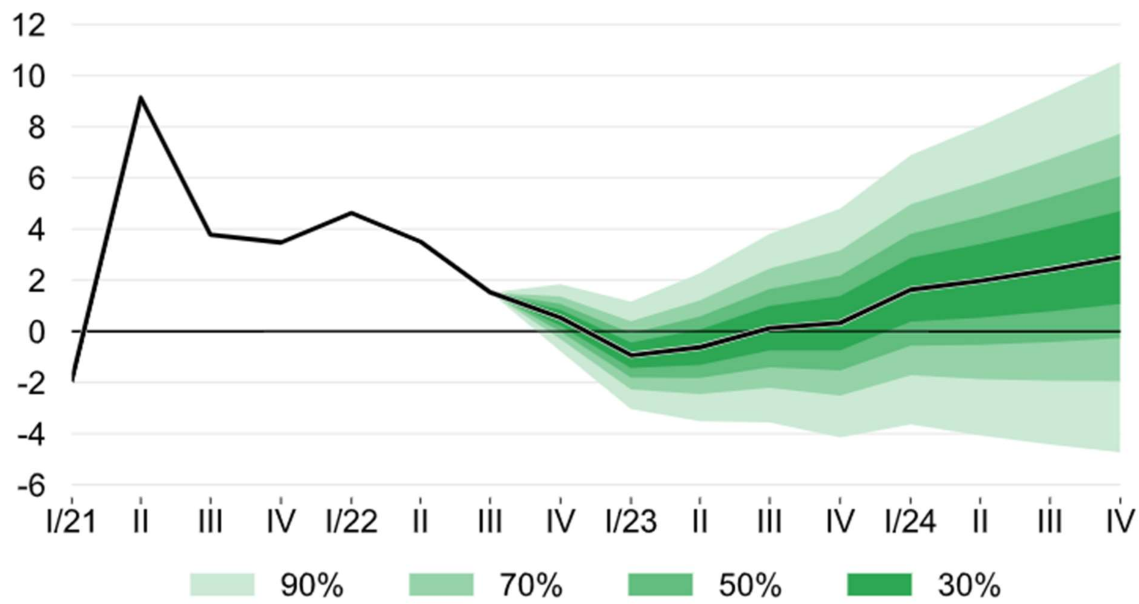
According to WIFO's December forecast, the Austrian economy was affected by the international economic slowdown in the second half of 2022, resulting in a projected decline in GDP in the winter months. Gradual easing in energy markets should curb inflation and ultimately improve sentiment and economic activity in 2023. For 2022, the country's **economic growth is estimated at 4.7%**, but GDP is expected to be relatively flat in 2023 (+0.3%). Growth is projected to increase to 1.8% in 2024.

Investments in the media sector are expected to follow a similar trend and growth in this area will also follow the growth of gross domestic product, which means **5% growth in 2022 and stagnation in 2023**, according to GroupM. JOJ Media House has been doing business on the Austrian outdoor advertising market since 2012. We consider this market to be developed and stabilised. In recent years, the focus has been on optimising the portfolio of advertising media and streamlining the organisational structure, which has resulted in positive achievements for JOJ Media House.

Czech Media Market

2022 saw economic growth rise 2.5% from the previous year, but the economy should experience a slight downturn in the 2023 with a resumption in annual economic growth by the end of the year. The Czech National Bank (CNB) is forecasting 0.3% negative economic growth in 2023. Inflation will start declining in 2023 and return to the 2% target in the first half of 2024.

GDP forecast of the Czech Republic

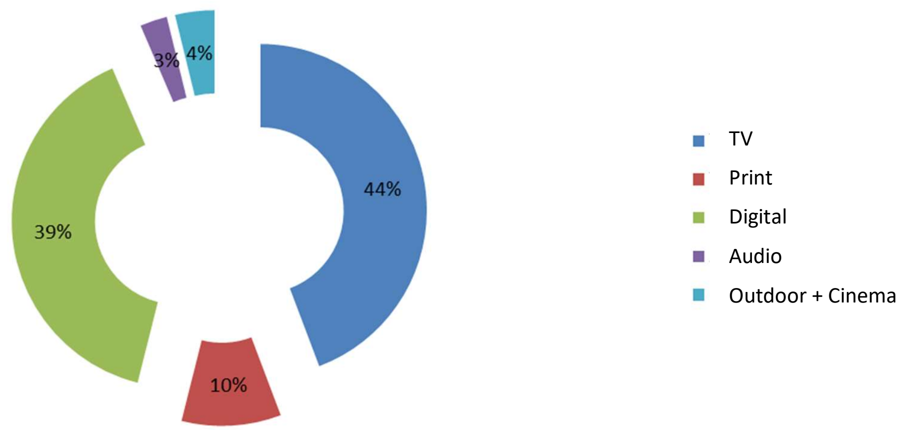


Source: Czech National Bank

Because COVID restrictions were still felt in the first two quarters of 2021, the year-on-year comparison between the quarters shows the economy growing +39% and +33% in the first two quarter, with a decline in growth over the last two quarters of +7.1% in Q3 and +6.5% in Q4 as the base from the previous year rose rapidly. **BigBoard Prague's organic sales grew by 17.4% year-on-year.** Comparing 2022 figures with the pre-COVID year of 2019, it was already 4.2% higher than three years ago, a very good result in view of the lack of across-the-board increases in the prices of our products during 2022 despite significant double-digit inflation that year. The last time prices rose was 2019 and there were no further price increases until early 2023 when pressure from rapidly rising input prices finally forced higher prices.

Television remains the strongest media, according to GroupM estimates, and it still retains a dominant position in the advertising market (44%). On-line advertising accounted for 39% of advertising budgets last year, while print advertising reached 10% in advertising budgets. Radio advertising accounts for 3% of the total and **outdoor advertising together with cinema had 4% in 2022**. Among advertising sponsors last year, Kaufland, Lidl and Albert were using the highest priced ads. Thus, media spending is still dominated by retail chains. In the case of the largest advertisers, significant double-digit year-on-year increases can be observed in investment.

Share of media types in the media market in Czech Republic in 2022



Source: GroupM

Although market share figures for outdoor advertising operators are not yet available, it is clear that BigBoard Group's rose again in 2022 from the previous year. From 2021, when its **market share stood at 68.5%**, its position as the Czech Republic's second largest operator weakened further as it phased out its urban infrastructure in Prague, causing it to lose the most valuable part of its portfolio in the country. Yet it appears that BigBoard Group's market share will nonetheless increase in 2022 and likely in 2023, too, reaching over the two years 70% of the market.

Media Market in Croatia

The slowdown in global economic growth and inflationary pressures affected the Croatian economy, with the manufacturing sector contracting and the annual growth rate falling to 5.2%. The economy is expected to continue slowing in 2023, with GDP growth expected to decline sharply to 1.4%. Inflation is forecast to have risen to 10.6% in 2022 due to high energy prices and strong demand in the services sector, but fall to 7.5% in 2023. The previous Croatian currency, the **kuna** was replaced in January 2023 with the **common European currency,** with the transition period ending on 14 January. The exchange rate for introduction of the euro had been previously fixed at 7.5345 kuna.

In April 2016, JOJ Media House acquired majority shares in respected regional journals *Novi List*, *Glas Istre*, and *Zadarski list*, expanding its presence in Croatia's media market into print. According to GroupM's estimates, the **media market grew by 6% in 2022**, with similarly high growth expected in 2023.

05.01 OUTDOOR ADVERTISING MARKETS

Outdoor Advertising in the Slovak Republic

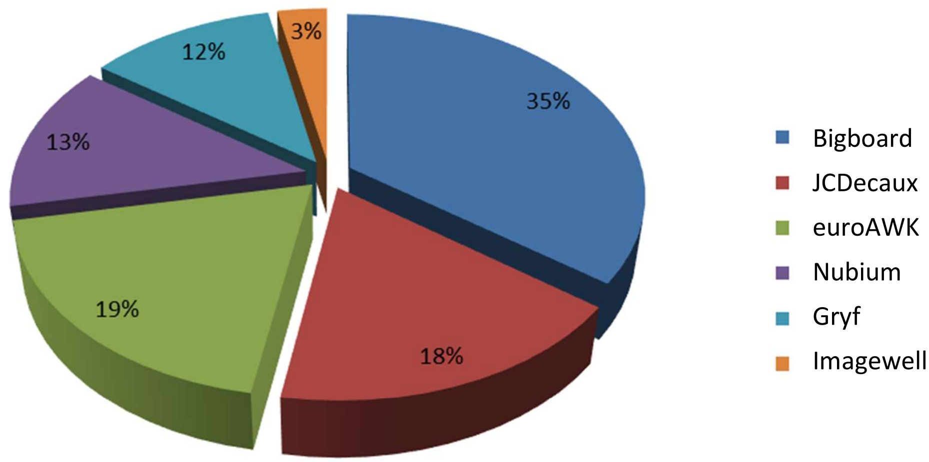
The first half of 2022 was influenced by a combination of external factors that could be considered unprecedented:

- Continued partial lockdown until the end of February
- Client losses from 2021 quantified with a related change in advertising strategies and scaling back of plans for 2022
- Outbreak of the military conflict in Ukraine and absolute uncertainty together with nervousness among clients in the first weeks of the war
- High inflation that had already appeared at the end of 2021 and hit the economy hard in the second quarter of 2022

Despite the prevalence of negative market circumstances, **projected revenue was exceeded** and increased by almost 30% from the first six months of 2021. Occupancy rates were also higher, especially in the second quarter when the end of pandemic measures outweighed the shock of the military conflict.

The second half of 2022 was marked by a market recovery and municipal elections had a major impact. The combination of municipal elections with classic campaigns by incumbent mayors and newcomers seeking office brought an unusually high demand for out-of-home (OOH) advertising, which in some periods approached maximum sell-out of space. Yet toward the end of 2022, there was uncertainty among clients about energy prices and cautiousness among them to engage in campaigns was already being felt in order volumes for the first quarter of 2023. Despite these two major events, **BigMedia maintained its market leadership** in 2022 and managed to cover a substantial majority of political campaigns, reschedule commercial campaigns, and in the process maintained good relationships with non-commercial clients, which are a significant element in it capability to achieve targets. Rising energy prices and resultant corporate costs compelled us to raise list prices for advertising services, which is essential especially for long-term campaigns in the pipeline for 2023.

Market share of selected OOH companies in 2022



Source: TNS monitoring

Amendment of the Building Act significantly shortened the period for permission to advertise outdoors to three years, where building authorities now have the option to extend or issue a new building permit for an advertising structure. It became essential in order to sustain outdoor advertising as a profitable business to file for an extension of current permits before the amendment came into force so they would only expire after around 10 years. What remains a major problem with applying for permits and renewing them is the notable outpouring of public opinion demanding the elimination of "advertising smog", which has led to zoning that practically prohibits new advertising structures and is sharply reducing the number of building permits issued for them. In 2022, JOJ Media House took an active approach toward lowering rental rates, with costs again falling even as revenues increased. A positive trend in 2022 was expanded cooperation with cities and smaller communities to construct or reconstruct urban and intercity transit stops.

Outdoor Advertising in the Czech Republic

Post-COVID recovery marked 2022 with media companies gradually returned to profitability and, after two years of crisis management, starting to find room to develop their businesses again. However, there were no significant acquisitions or development projects in the OOH sector. Efforts to digitise the large-screen network are also continuing, but running into legislative complications. Nevertheless, preparations have been made for the conversion of several large screens to LED screens, which is expected to take place during 2023.

The BigBoard Group is **has been digitising in stages the CLV network in the Prague metro**, increasing the number from 50 to 76 units. In 2023, it intends to continue adding digital CLVs. Incorporating the technology in the metro offers new possibilities for clients to present their products and brands to riders and associated new opportunities for planning and deploying campaigns. MetroZoom clients can benefit from real-time spot placement and information transmission, dynamic and automatic spot placement that considers current weather and even synchronisation with their own websites and projection of products from e-shops to a prepared visual on the digital CLV, including adjusting the price and other information in real time. **MetroZoom launched the first ever dynamic OOH advertising in the Prague metro** when it prepared a campaign for one of its clients, Sazkabet, during which the digital CLVs displayed real-time live streams of football and hockey match results include times, scores and, most importantly, odds. The campaign, the first ever OOH campaign in the competition's history, also won the award for best use of real-time marketing at the Flema Media Awards. Digital CLV dynamically and automatically changed campaign themes for delivery company Wolt and insurance company Kooperativa to fit current weather conditions, such as whether the sun was shining or it was raining, if there a storm was approaching or to reflect the particular temperature outside.

As in other industries, **ESG is becoming a major issue** in marketing. The first advertisers and media agencies have already begun putting a premium on reducing their carbon footprint in their campaigns. While the media companies are not quite ready yet, everyone in the industry is obtaining an understanding of the great opportunity before them in future. Transforming operators to make their marketing products leave a small carbon footprint or even to be carbon neutral is a chance not only for a healthier future, but also to strengthen their position in the market. Preliminary studies show that OOH, and particularly digital OOH, has a smaller carbon footprint than other media types. BigBoard is well aware of this opportunity and ESG efforts will be a high priority in 2023 and beyond.

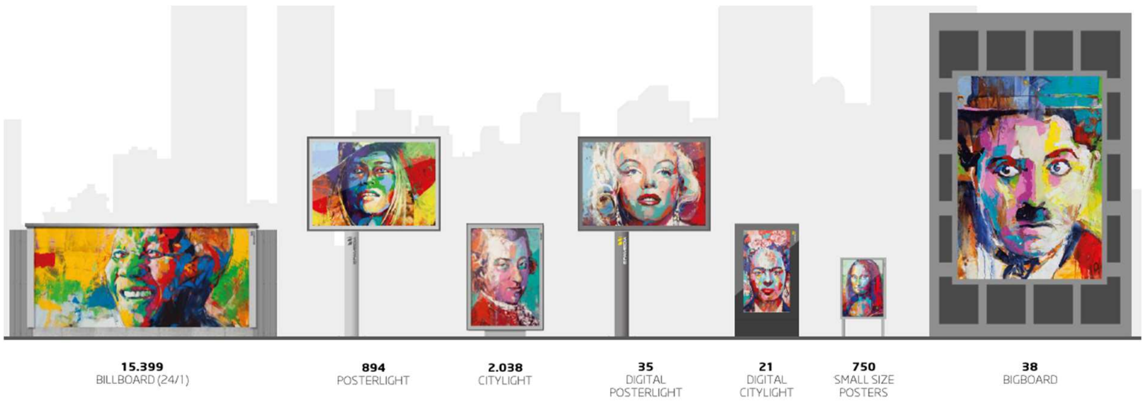
Alongside a range of negative news primarily relating to the war in Ukraine, there are signs of optimism visible in 2023, as both the economy and household consumption have not yet seen anywhere near the contraction previously projected for the second half of 2022. Energy prices have also gradually stabilised. Cautious optimism dominates in statements from media agencies, which are so far not indicating any significant across-the-board reduction in media spending by their clients.

As already mentioned, since the beginning of 2023 Bigboard has had to resort to across-the-board price increases ranging from 9% to 12.5%, although less than the 2022 average inflation rate of 15.1%. Obviously, not all of them are going to be reflected in client incomes. Some of them will still be budgeting the same amount of money for their media investments. Nevertheless, higher single-digit growth is forecast in the business plan.

A potentially engaging opportunity coming in 2023 is a **public tender to post advertising on approximately 700 bus stop shelters in Prague**, which the Prague City Transport Company operates. Between them there will be 200 digital CLVs. Although it only involves leasing the whole set and subsequently selling them to end clients, not a very attractive proposition in terms of profit margin, it may be an interesting option for raising BigBoard’s already high market share and the group will certainly be participating in the public tender.

Outdoor Advertising in Austria

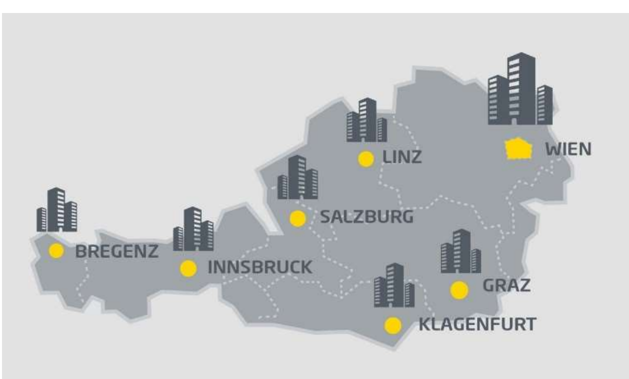
JOJ Media House has been doing business in this market through EPAMEDIA since 2012, a company with more than 90 years of tradition in out-of-home advertising in Austria. **With more than 18,000 outdoor advertising spaces** across the country, including more than 15,000 billboards, approximately 2,000 city-lights and almost 1,000 poster-lights, EPAMEDIA is a market leader with an estimated share of 36%. It is the first choice among outdoor advertisers for large national campaigns and local promotions. Its most common and largest competitor is GEWISTA with a share of 42%, with the remaining 22% of the market shared among other companies operating in Austria.



Source: EPAMEDIA

EPAMEDIA concentrates mainly on optimising its portfolio of advertising media and streamlining its organisational structure, which was reflected in the positive results it reported in 2022. Since 2013, EPAMEDIA's strategy and operations have been managed by Brigitte Ecker and Ing. Mag. Alexander Labschütz. With six regional offices and headquarters in Vienna, EPAMEDIA has a **strong presence in all nine of Austria's provinces**.

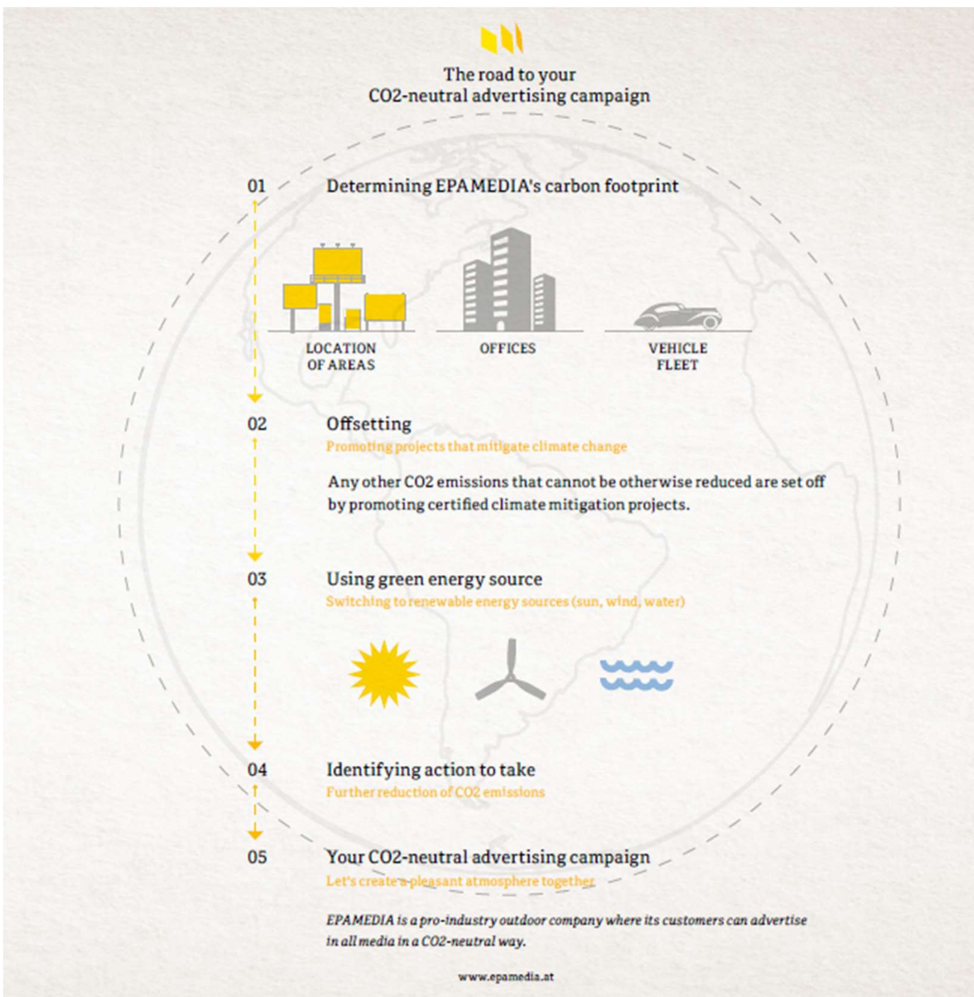
The company is headquartered in Vienna and has six regional offices in Austria, shown on the map below.



Source: EPAMEDIA

EPAMEDIA enjoyed a successful year in 2022 and in May presented the first "Digital Posterlight" advertising space in Salzburg. It since launched further digital space in the provinces of Upper Austria, Lower Austria, Vorarlberg, Tirol and Burgenland and now owns a total of 35 spaces. Together with the launch of its poster-light digital spaces, EPAMEDIA introduced a new content management system (CMS) called “Broadsign”. The new CMS schedules and books digital ads, opening up a variety of flexible options for tailoring digital ads to client needs. In addition, EPAMEDIA's website now includes the Online Locator, a user-friendly tool that facilitates convenient and easy searching for placement of advertising space. In June 2022, it was upgraded, updated and then relaunched. Taking such initiatives signifies EPAMEDIA's continued commitment to the provision of innovative and sustainable solutions for its customers.

Both the **environment and sustainable development** play important roles in the company. In 2017, EPAMEDIA became the first outdoor company in Austria to produce 100% CO2-neutral campaigns and has since been helping its clients and partners lower their carbon footprint. EPAMEDIA expanded its stock of environmentally-friendly solar billboards last year with the launch of 48 new LED-lit billboards in all nine federal republics and currently offers a total of 124 solar billboards. They are illuminated by lights powered from solar panels. The space needs no connection to the electricity grid. The lighting ensures better evening visibility, which is of greater value for advertisers.



05.02 TV JOJ GROUP

ABOUT THE COMPANY

Slovenská produkčná, a.s. is the parent of several companies that hold licences on behalf of JOJ Group television stations.

On the 20th anniversary of the launch of the first JOJ TV station in 2022, Marcel Grega, CEO of JOJ Group, described the story of JOJ Television as "… *based on people who from the very first days put not only their talent and professionalism, but also their enthusiasm and heart into their work. The conditions in which TV JOJ began broadcasting 20 years ago were incomparable to competitors on the market, but the real desire to create and push television production forward in Slovakia erased every disadvantage. Since the first years, JOJ has achieved many firsts, bold decisions and unique projects and I am proud that it has never lost the DNA on which it built its success. Moreover, JOJ Group is still a fully Slovak media company that has expanded its activities across the television, film and online segments. As one of the largest domestic employers, it has confirmed its stable position even in times of crisis, during which it launches new projects and further strengthens its presence on the media market.*"

JOJ Group is the largest media group in Slovakia, has the largest reach, the widest coverage and is available in every household. In 2022, its portfolio comprised **17 TV stations** (13 owned and 4 non-owned, but commercially represented), **almost 50 web portals** (grouped in the Valetin platform) and a **new streaming platform - JOJ play**. In 2022, it had an average viewership of **2.1 million viewers** per day and an average of **2.1 million online users** per month.

HISTORY AND PRESENT

In 2002, **TV JOJ** became the first channel to be established, a successful and popular television channel that broadcasts for viewers in Slovakia the most watched news and varied schedule of programming on the market. It was followed in 2008 by **JOJ PLUS,** which mainly broadcasts films, and **WAU**, which turned nine years old in 2022 and mainly broadcasts series. In 2015, JOJ Group entered the pay-television segment and simultaneously the Czech market with the purchase of three pay-tv stations: **JOJ Cinema** and two Slovak language children's channels – **JOJko** and **Ťuki TV**. A year later, these channels were joined by **JOJ Family**, a Slovak multi-genre family television channel intended for Czech audiences and Slovaks living in the Czech Republic. JOJ Group again expanded its portfolio in 2019 when it acquired the Czechoslovak Film Company and, after rebranding, incorporated **CS Film, CS Mystery, CS History** and **CS Horror** among its television channels. In 2021, it launched its twelfth television station, **JOJ Sport**, and in the following year its thirteenth, the news station **JOJ 24**.

In addition to its own television channels, JOJ Group's business portfolio has foreign stations broadcasting in Slovakia. In 2022, these included **Prima Plus** from Czech FTV Prima alongside

Film+, Spektrum and **Minimax,** high-quality thematic channels operated by AMC Networks International company.

The JOJ brand also consists of online websites; a video portal with archives; **Noviny.sk,** a news portal; the TV JOJ mobile app and, since March 2022, the new streaming service **JOJ play**. JOJ Group has also joined forces with the online market's most prominent players in video content creation through the **VALETIN** partnership platform, which aggregates and offers a video inventory on more than 40 online portals. Currently, JOJ Group is playing an increasingly important role as a co-producer and creator of films.

JOJ Šport

In the first year since its launch, Slovak Sports Television has brought viewers more than four thousand hours of live broadcasts. Out of approximately 1,000 live broadcasts, 374 were produced in-house, ranging from domestic sports leagues to matches played by Slovak national teams, while more than 600 live broadcast rights were acquired from other countries.

Slovak athletes from across the sporting spectrum and regardless of age receive promotion by JOJ Sports, which brings matches involving Slovak representative teams to the screen, regularly gives Slovakia's athletes exposure abroad and introduces young sports talents to audiences.

JOJ 24

The newest TV station in the JOJ Group portfolio and the eighth Slovakian station broadcasting in the country started airing on 2 October 2022 with the claim of "objective news from verified sources". Full-format linear television is available to Slovakia's entire population in DVB-T free of charge and all operators in the country now offer the service. JOJ 24's broadcasting capitalises on several attributes that have long been JOJ's asset in Slovakia, namely that news is one of the main pillars of TV JOJ and it delivers the **largest amount of news content on the market** compared to its competitors. Having a great news team together with a strong production and technical background make the channel one of the most stable in Slovakia and its **network of regional correspondents** is the widest among all Slovak stations.

With 24/7 first-hand information, the JOJ 24 programming schedule covers both news and journalism programmes, plus also non-news formats, lifestyle magazines, documentaries, service programmes and podcasts.

JOJ play

JOJ play is a new streaming platform for the whole family, where **thousands of hours of the best films** of all genres, **popular series** with Slovak or Czech dubbing, and **original series** from TV JOJ both from its library and in exclusive advance screenings before they first run on broadcast TV. There are also **sports programmes** and recordings from JOJ Sport, **live broadcasts** from JOJ, JOJ Plus, WAU, and JOJ Cinema, as well as **entertaining reality shows**

and documentaries. In addition, children can enjoy **fairy tales**, educational shows and cheerful songs. Viewers can now enjoy all the delights offered by JOJ Group in Slovakia's richest production portfolio because JOJ play is "a place like no other".

Valetin

More than two million viewers, or one in two Slovaks, watched videos each month from our partner network Valetin, which enables advertisers to target on over fifty portals gathered in one place on the l**argest and most comprehensive local video stock available**. Most of all, Valetin is a safe environment for sponsors, providing brand safety and high viewability as it minimises fraud traffic. It also permits the use of independently measured scripts from throughout the entire library.

JOJ Group's portals themselves boast **leadership in time spent watching video**, as measured independently by IAB Monitor. They attract 100% of viewer attention, which is determined by the type and quality of the content. High demands are also placed on the selection of new inventory for the Valetin platform, with video content from Oktagon.tv and Garáž.tv added through the JOJ play platform over the past year. **Source: IAB Monitor IX/2022*

24 podcast

24 podcast is **part of noviny.sk** and was created by editors from the TV JOJ newsroom. In addition to the latest stories, such as the war in Ukraine, the tragedy at Zochova Street and the Zámocká Street murders, they cover current political, economic, cultural and social issues that are driving society in Slovakia.

JOJ podcasts also include a successful political satire by noviny.sk commentator Arpad Soltész and daily Sme columnist Petr Tkačenko called **Sme v kaviarni** ("In the Café"). Every week, sports editors respond to happenings in the world of football. A special chapter is the **JOJ zdravie** (JOJ Health) podcast, where veteran health journalist Marcela Fuknová discusses both physical and mental health.

BRAND VALUE AND INNOVATION

We are currently experiencing a significant, noteworthy moment in history that reminds us as not ever before of the important role **stable pillars** play in our lives, providing a sense of confidence and security in times of uncertainty.

In 2022, JOJ television celebrated two decades in television, bringing with it **dynamism, originality and set new trends**. Today JOJ is a solid part of the market, a proven partner in the lives of viewers and business partners as it reaches out to them. JOJ Group is a **broadcaster and creator** for whom ratings do not matter, either for the viewers it seeks or the content of shows. Instead, it seeks the broadest possible television channel portfolio, maintains a nationwide reach, and opens up opportunities for **creative industries** producing distinctive programming and to attract people, who are its greatest asset, outside of the mainstream. The values that define the JOJ brand are always fact-checked information, first-line commitment and social responsibility on the one hand, and on the other hand, fun entertainment, emotions, ideas and family.

An annual extensive brand study found JOJ television to be the most modern, dynamic and innovative channel in Slovakia's media market today. JOJ's own slogan **"Together with you"**

(Spolu s Vami) expresses television's most important mission to be building a relationship with its viewers. Its loyal viewers are among the most technologically advanced in the country, who regularly take advantage of social networks and the internet and that is why television offers them **exclusive content and verified information on these platforms.** With that in mind, JOJ Media House launched its own streaming service, JOJ play, in April 2022.

When TV JOJ started broadcasting on 2 March 2002, no one had any idea about the incredible journey in store. What was once a regional station has since grown into a television channel that has introduced several new phenomena, launched an era of thematic channels by providing a record number, and today broadcasts the most popular programmes on the market, both in its main programming and news broadcasts, as well as in the evening. JOJ has been around for 20 years thanks to its viewers. Today, JOJ Group is the largest media group in Slovakia, a leader in original production of Slovak series, a major supporter of Slovak-language cinema and Slovakia's sports teams, the group with the only children's stations broadcasting in Slovak and the largest number of thematic stations, while TV JOJ is a regular market leader in prime time. JOJ Group is also the largest partner platform for video advertising, marketing several partner TV stations and confidently expanding further each year. In mid-February 2022, JOJ Television unveiled a new logo, station graphics and trailers featuring a 20th anniversary celebration theme. Marketing campaigns throughout the year also reflected the anniversary spirit.

05.03 PRINT MEDIA INDUSTRY

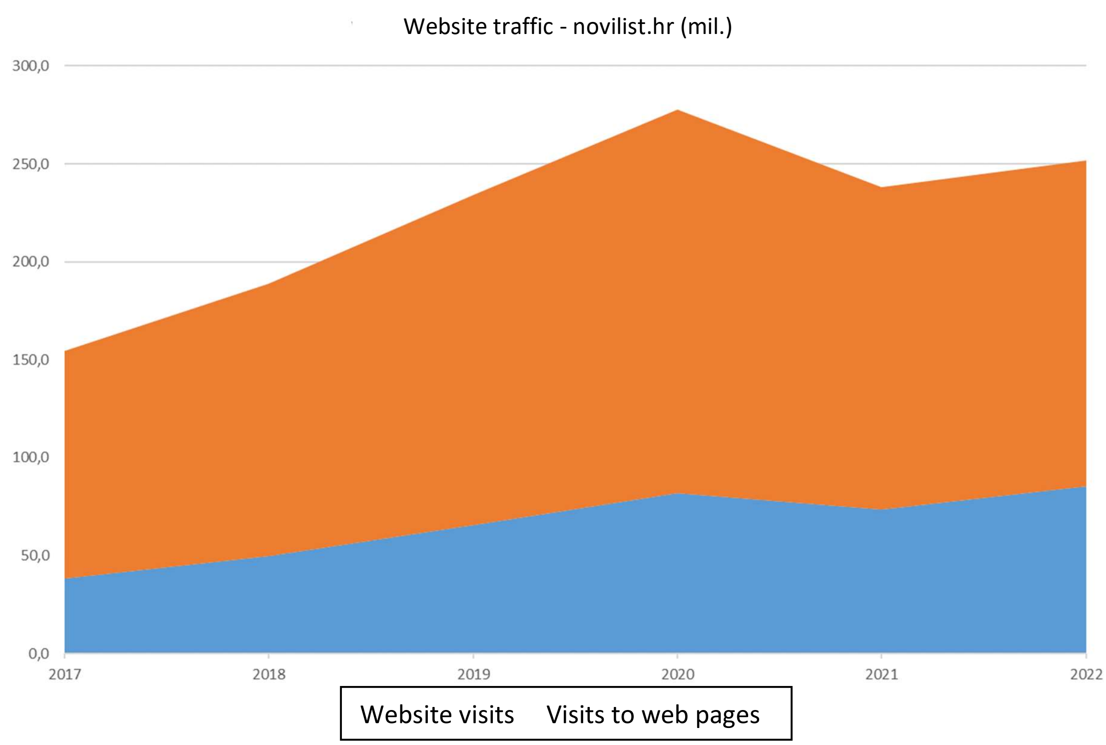
Print Media in Croatia

At the end of 2022, JOJ Media House, a.s. owned 84% of publishing house NOVI LIST, d.d. and 89% of GLAS ISTRE d.o.o. These acquisitions enabled the Group to expand its media operations into the Croatian print sector, thus obtaining majority ownership of ***Novi List*****,** based in Rijeka and founded in 1900. It is the oldest Croatian language daily newspaper and the 6th bestselling daily in Croatia with average circulation of over 7,000 readers. It is the most important market player in Primorje-Gorski Kotar County. In addition to publishing its newspaper, Novi List d.d. publishes and prints both for companies within the Group and for external clients. **Glas Istre** Novine d.o.o. in Pula has published the eponymous regional daily since 1943 when it was printed as a partisan leaflet during World War II. It focuses on the Istria region of Croatia and remains among the best-selling daily newspapers there.

The biggest daily newspaper competitors are the nationwide *24 sata*, *Jutarnji list*, *Večernji list* and *Slobodna Dalmacija*. However, the two daily newspapers under the JOJ Media House mantle hold significant shares in their own regions. JOJ is the **third largest group of newspaper**

publishers in Croatia after the Styria Group and the Hanza Media Group. Despite the difficult economic situation and high inflation in 2022, both NOVI LIST and GLAS ISTRE reported **positive results.** They have been streamlining their processes and reducing staff costs while investing mainly in their internet portals to improve reader access to paid and also free content. Most of Croatia's regional media revenues come from marketing activities that make up the most important component of turnover.

NOVI LIST was involved in various projects and conferences in 2022 promoting social, economic and environmental awareness. The newspaper can highlight several achievements, including two native marketing projects - "Zajedno" and "Mogu sve" - aimed at promoting environmental protection and gender equality, respectively. It also organised successful conferences that focused on the region's key themes, such as Blue Growth Kvarner, Developing Maritime Tourism and Transforming Rijeka. In addition, the newspaper expanded its sales and marketing presence by taking over overall organisation of these activities at *Zadarski List*, a print and online newspaper based in Zadar, and by launching new commercial projects in and around the city. *Novi list* also celebrated Croatia's tourism industry success with a special edition highlighting the country's attractions, covering the event in both the print edition and web portal. What had been originally planned as forty pages catapulted to more than eighty because of customers' great interest, which made it possible to earn significantly more income from sponsored articles.



Source: Google Analytics

In 2022, **Glas Istre** continued to restructure its business and optimise costs, especially its labour costs, while changing the structure of its advertising revenues significantly, with its digital advertising gaining increasing market share. This trend is the outcome of investments into the development of its Internet portal into a new sales channel. The company is aware of the necessity of continued investing into the development of the digital environment, which will in turn translate into more profitability in the future.

Print Media Market in the Slovak Republic

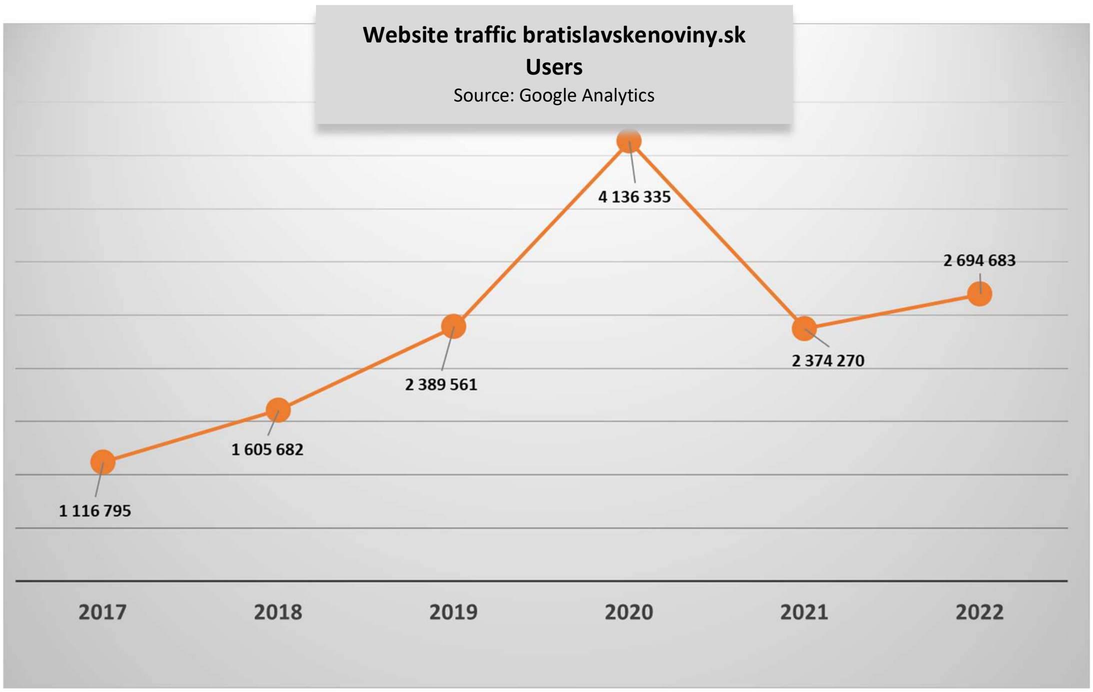
On 17 October 2016, JOJ Media House, a.s. acquired NIVEL PLUS s.r.o. a company whose principal activity is the publishing of ***Bratislavské noviny*** and ***Petržalské noviny*.** Besides these newspapers, NIVEL PLUS operates associated news portals www.bratislavskenoviny and petrzalskenoviny.sk.

Bratislavské noviny was established in 1998 as a successor to *Nova Posoniensia*, a newspaper published by Matej Bel in Pressburg in 1721-1722, and following in the footsteps of *Pressburger Zeitung*, whose history spanned from 1764 to 1929. They are currently distributed free of charge and on a monthly basis to mailboxes throughout Bratislava and there is an option to advertise either in an entire newspaper edition or in special editions distributed in different neighbourhoods that cater to business activities or services offered by customers.

***Petržalské noviny*,** a regional periodical, has also been published by NIVEL PLUS since May 2018. It has been distributed free of charge to mailboxes in Petržalka for the past 26 years, bringing current issues, news and focus on events in the urban district.

In 2022, NIVEL PLUS s.r.o. still published *Bratislavské noviny* and *Petržalské noviny* and was managing the popular, opinion-forming web portal bratislavskenoviny.sk. In addition to mailing these newspapers to Bratislava residents, there was continued distribution through colporteurs at selected frequented locations in Bratislava street locations and targeted, specific agreed addresses in society, cultural, political and business areas and to selected health and senior centres within the city. Various **combinations of print and online packages** continued to be prepared for clients alongside image and PR communication of the periodicals targeting either all of Bratislava or, through *Petržalské noviny*, just the Petržalka district on the right bank of the Danube. The second half of 2022 saw an increase in advertising revenue due to interest in purchasing public relations advertorials and image communication for the October **municipal and regional elections in Slovakia.** An attractive PR platform and image visualisation for town council and mayoral candidates, as well as a discounted space for the purchase of area advertising, contributed toward higher advertising revenues in both *Bratislavské noviny* and *Petržalké noviny*.

In addition to individual online formats and PR articles, the Bratislava newspapers offered online weekly advertising packages with a guaranteed number of views and online position formats adapted to both desktop and mobile versions. Clients were approached with an opportunity to present their company, products or services in organised competitions in print, on the web, on our Facebook page or at our Instagram account. **The bratislavskenoviny.sk portal** achieved a significant **increase in traffic** during the first half of 2022 from the previous period. In total, there were 1,493,997 real users (Google Analytics data), an increase of 42.4% compared to the second half of 2021 (1,049,459 real users). In the second half of 2022, the increase in traffic was 12.2% from the same period in the previous year (1,178,092 real users compared to 1,049,459 real users in the second half of 2021 - Google Analytics data). Bratislavské noviny's website covered events in the Bratislava region in detail. While the dominant issue in the first six months of 2022 was the continuing novel coronavirus pandemic, it later morphed into the combined regional and municipal elections and campaigns in the second half of 2022. As a reputable portal, bratislavskenoviny.sk provided in-depth coverage of these events alongside reports and interviews with individual candidates. However, other regional issues such as construction, transport, crime, social affairs, culture, the environment, sports and many other topics continued to occupy a large part of discussion.



05.04 ONLINE MARKET

Development of Internet Applications

JOJ Media House, a. s. does business in the online market through **eFabrica, a.s**, which is dedicated to enterprise web development. The company's principal activity is the development of **CONTENTO CMS**, a new-generation publishing platform built on micro-services that provides an entirely new, cutting-edge, and effective approach to creating internet projects and consolidating content.

CONTENTO CMS is an online system consisting of several small, single-purpose applications that can be used either separately or combined into a functional unit according to client specifications in the content management system. Each application is fine-tuned and reflects the particular requirements of online editors, such as managing articles, images and galleries, video and streaming, polls, quizzes and questionnaires; collecting and analysing data; importing different kinds of content; measuring individual website element performance; actively working with social networks, paywall and registered/paying user administration, online transfers, online chat; and many other features. Contento CMS uses API calls for communication between systems, nowadays a modern communication standard. CONTENTO CMS is a **system designed primarily for television, radio, publishing and large media companies** with many projects and the need to consolidate content while searching for synergies.

In recent years, eFabrica, a.s. has implemented Contento CMS at existing clients, mainly TV AVOD and SVOD projects, which are integrated with systems developing television programmes and automatically archiving broadcasts. The television industry is thus trying to adjust to the current situation where **streaming** has increased significantly in recent years, primarily due to the pandemic. In 2022, eFabrica, a.s. **signed a contract with Czech technology company Livesport, s.r.o.**, one of the world's largest providers of sports results, statistics and other quick information. It operates a website and mobile app that provides quick results in around 30 languages from dozens of sports events around the world. The volume of monthly visitors to their websites and mobile app users exceeded 100 million in 2022. Last year, eFabrica successfully implemented Contento Media Library into Livesport's systems and helped launch new sports coverage for the FIFA World Cup in Qatar, contributing to 22% growth in traffic.

Direct Marketing

In 2022, our annual plan identified **four main segments**. There focal points seen as critical were innovation, education, organisation and especially our communication to the external environment. Concentrating on them enabled us to win new clients with major reach such as Matyšák Winery and popular sporting events such as L'Etape by Tour de France or the Bratislava Marathon. Despite having dedicated 2022 mainly to performance campaigns, JOJ Media House's agency also created new brands and refreshed some of original names that needed to be "brushed up".

This year the agency became a **shoptet partner**, one of the few "on-boarding partners" available for new clients.

For material support, our facilities were expanded in 2022 to include a small in-house photo studio to mainly produce creative client content.

2022 was also a year marked by the creation of new internal tools and upgrades.

For a long time, the agency had been considering the creation of a suitable custom marketing tool to simplify data handling, reduce error rates and visualise data and metrics not so obvious at first glance. Since a lot of calculating tends to be involved, it was not very efficient to use a calculator, especially because of unintentional errors that could do more harm than good. Therefore, a clear goal was **a marketing calculator**, whose development and testing turned out to be a long-term process. It finally saw the light of day in early June and now performance specialists and marketing enthusiasts will be able to calculate important data and simplify their work. The main advantage is the possibility to determine returns on advertising investments and campaign budgets. The calculator contains over 15 of the most common practical calculations.

Other internal tools put into service this year included for editing url addresses and working with utm parameters. Finally, new cookie bars had to be deployed to comply with current legislation. This let us also chose the option of creating our own solution, which our clients appreciated, and it offered a lot of customisation options in addition to the usual functionality.

There were also a number of internal process improvements such as checklists, client time maps, and automated alerts for multiple stimuli. As far as market education is concerned, there was a successful workshop organised at MergadoFest, which received excellent feedback from a number of both existing and potential clients.

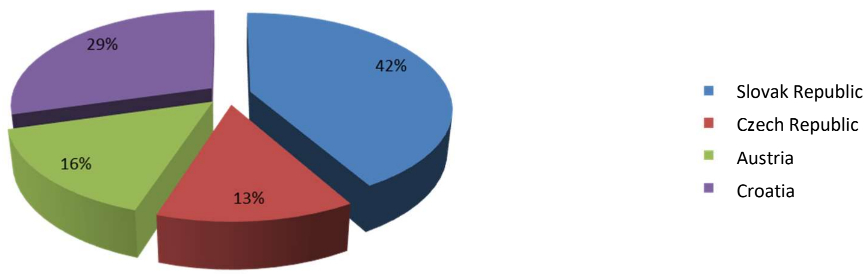
06 PERSONNEL POLICY

As in any other organisation, in the, employees are a major component of JOJ Media House Group resources and an important element in the entire group's success. This drives the personnel policy's focus on selecting, motivating, and evaluating employees who contribute toward increased efficiency, achievement in assigned tasks and, in the long run, meeting strategic targets. JOJ Media House concentrates its attention on all occupational categories because every one of them has a role in the Group's reaching its objectives.

Companies in JOJ Media House Group employ people not only in Slovakia, but also in other countries where they operate such as the Czech Republic, Austria, and Croatia. **Average number of employees for the entire Group rose** compared to the previous year, mainly due to hiring at Slovenská Produkčná, a.s.

Average number of JOJ Media House employees by country	2021	2022
Slovak Republic	271	282
Czech Republic	86	88
Austria	101	103
Croatia	191	197
Together JOJ Media House	**649**	**670**

Percentage of employees in countries where JOJ Media House operates



JOJ Media House has a **diversity policy** in place for its bodies, recognises cultural and individual differences in workplaces, and stresses the need to eliminate unilateralism in areas such as employee selection, job appraisals, pay, and education opportunities. The objectives sought in the policy reflect the organisation's determination to provide equal opportunities to all regardless of gender, race, nationality, belief, altered working capacity, age, or marital status. JOJ Media House respects equal opportunity, which means that no direct or indirect discrimination against any employee will be tolerated.

Average number of employees in JOJ Media House companies	2021	2022
JOJ Media House, a.s.	3	3
Slovenská Produkčná, a.s.	204	223
MAC TV s.r.o.	3	3
Československá filmová společnost, s.r.o.	2	2
BigMedia, spol. s r. o.	17	17
Akzent BigBoard, a. s.	24	23
Recar Slovensko a. s.	2	2
Recar Bratislava a.s.	1	1
QEX Plochy s. r. o.	3	0
BHB, s.r.o.	1	1
Radio Services a.s.	6	0
NIVEL PLUS s.r.o.	0	1
eFabrica, a.s.	6	7
PTA Group s. r. o.	1	1

Big Board Praha, a.s.	14	14
Czech Outdoor, s.r.o.	14	14
BigMedia, spol. s r.o.	25	28
Outdoor akzent s.r.o.	15	14
RAILREKLAM s.r.o.	13	14
BigZoom a.s.	3	2
EPAMEDIA - EUROPÄISCHE PLAKAT - UND AUSSEN MEDIEN GMBH	97	99
R+C Plakatforschung und kontrolle GmbH	4	4
Novi List d.d.	142	146
Glas Istre Novine d.o.o. Pula	49	51
Together JOJ Media House	**649**	**670**

07 SIGNIFICANT EVENTS IN 2022

- 12 January 2022: BigBoard Praha, a.s. sold its 100% stake in **D & C AGENCY s.r.o.**
- 12 January 2022: BigBoard Praha, a.s. acquired 100% of **MACH - NARWALL, spol. s r.o.**
- 19 February 2022: Radio Services a.s. acquired 100% of **GES Slovakia, s.r.o.**
- 24 February 2022: **Russia invaded Ukraine.**
- 25 March 2022: BigBoard Praha, a.s. acquired 30% of **HROT, s.r.o.**
- 6 April 2022: BigBoard Praha, a.s. acquired 70% of **News Media s.r.o.**
- 8 March 2022: BigBoard Praha, a.s. acquired 21% of **HROT, s.r.o.**
- 1 September 2022: was the date of record for the **merger of** FORWARD-MEDIA, spol. s r.o., E2 Services, a. s., TA Services, s.r.o. and GES Slovakia, s.r.o. into successor Radio Services a.s..
- 14 December 2022: BigBoard Praha, a.s. acquired an additional 6% of **PRAHA TV, s.r.o.**

Subsequent Events (after 31 December 2022)

- 1 January 2023: Croatia joined the Eurozone with a fixed conversion rate of one euro equalling 7.5345 Croatian kuna.
- 28 February 2023: date of record for the **merger of** Barrandia s.r.o., Bilbo City s.r.o. and QEEP, a.s. into successor News Advertising s.r.o.
- 28 February 2023: date of record for the **merger of** MACH - NARWALL, spol. s r.o. into the successor outdoor akzent s.r.o..

08 RISK FACTORS AND RISK MANAGEMENT

The Group has identified certain risk factors related to its business and operations. The following are considered to be key factors:

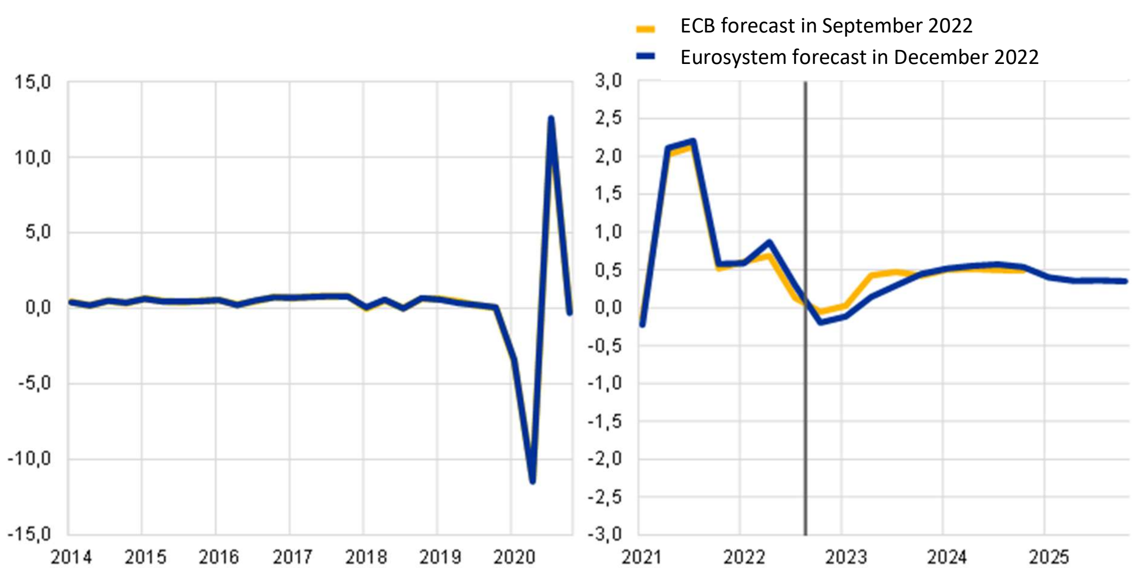
Risk of dependence on subsidiary business results

JOJ Media House's primary business activity is management and financing of its holdings in other companies. Therefore, it depends on income earned from dividends and interest on lending to subsidiaries, whose commercial success is vital.

Risk of crisis, dependence on general economic conditions or declining advertising expenditure

The majority of revenue from subsidiaries is composed of advertising and this source is conditioned on generally favourable economic market conditions. There is a risk that an economic crisis, recession, or adverse economic conditions would generally reduce advertising expenditure, with the outcome being losses suffered by the Group.

Eurozone GDP - quarterly, actual and forecast



Source: European Central Bank (ECB)

Risk of changes in advertising expenditure

Due to the holding's focus on televisions advertising, expenditure from companies in Slovakia's advertising market plays a crucial role in future developments. The Group's own internal analyses have shown televisions and outdoor advertising to have been historically the most used promotional medium, ranging between 60–65% of total advertising expenditures. There is no guarantee that the television advertising market will maintain its current position to compete with other advertising media.

Risk from the launch of competitive stations

The advent of digitisation has created space for new television stations to operate, which could lead to more intense fighting in the media sector and television advertising. Due to the relatively simple process of obtaining a digital broadcasting license, new companies can enter the market, and established companies may opt to launch new stations, too. Such a competitive struggle may lead to declining viewer ratings and associated reduction in advertising revenue.

Regulatory risk

Broadcasting and advertising are subject to regulation and, should the regulatory environment change, there is no guarantee new conditions would not reflect negatively in the Group's financial results.

Risk of declining viewer ratings

The emergence of competing television stations offering an attractive range of programs and alternative forms of entertainment can lead to an outflow of viewers. The preferences and tastes of audiences are constantly changing and the Group runs the risk that such a dynamic environment may inaccurately consider viewer habits and what the public desires. Decline in viewership is closely related to decreasing advertising revenue, which could have a negative impact on the Group's profitability and overall development.

	Prime time 12-54 Shr%								
PRIME TIME	TV JOJ	Markíza	Jednotka	Dvojka	Plus	DOMA	Dajto!	WAU	Other
Rok 2013	22,5	29,3	6,9	2,0	4,5	4,2	2,8	1,1	26,7
Rok 2014	19,5	27,7	8,4	2,7	5,0	3,7	3,9	1,4	27,7
Rok 2015	20,9	25,2	9,3	2,3	4,7	4,1	3,9	1,7	28,1
Rok 2016	19,7	23,3	10,0	3,0	4,8	4,4	4,0	2,1	28,7
Rok 2017	20,9	20,4	11,3	2,5	4,5	4,0	3,6	2,5	30,3
Rok 2018	18,2	22,3	10,9	2,6	3,9	4,1	3,3	2,7	32,1
Rok 2019	18,7	22,8	10,3	2,7	3,6	3,7	3,5	3,1	31,6
Rok 2020	17,7	22,8	10,7	1,6	3,8	4,0	3,2	2,8	33,4
Rok 2021	16,6	20,9	10,8	3,0	3,9	3,3	3,0	2,8	35,7
Rok 2022	16,4	18,6	8,7	1,3	3,5	3,3	3,5	2,5	42,2

Source: TNS

Risk of license revocation or non-renewal

Revocation of a broadcasting licence and prevention of further broadcasting can potentially be the outcome from violations of current television broadcasting legislation and regulations. Likewise, there is no legal entitlement upon expiration of a licence for it to be extended. Since television advertising is a key source of income for the holding company, revocation or non-renewal of its broadcasting license may have a negative impact on the Group's business.

Refinancing of existing loans and funding of new projects

The Group's consolidated capital structure includes, to a large extent, debt financing originating prior to the current economic crisis. The companies within the holding initially chose an aggressive financial strategy, but the crisis in financial markets has hindered their rapid development. The Group does not rule out the need to turn again to outside financing in the future to cover existing or future liabilities. Such use is associated not only with a more limited approach to new sources of funding but also with reduced flexibility in management decisions because of different loan covenants designed to protect existing creditors.

Technological development

The development of new technologies is associated with the risk of lagging behind competitors. Although there are ongoing shifts in the media sector improvements, upgrading and implementation of innovations is a financially and operationally demanding process that requires not only changes by media companies, but also changes on the part of viewers. New technologies can cause an outflow of viewers to rival broadcasters or to alternative forms of entertainment, which can result in a decline in advertising revenues.

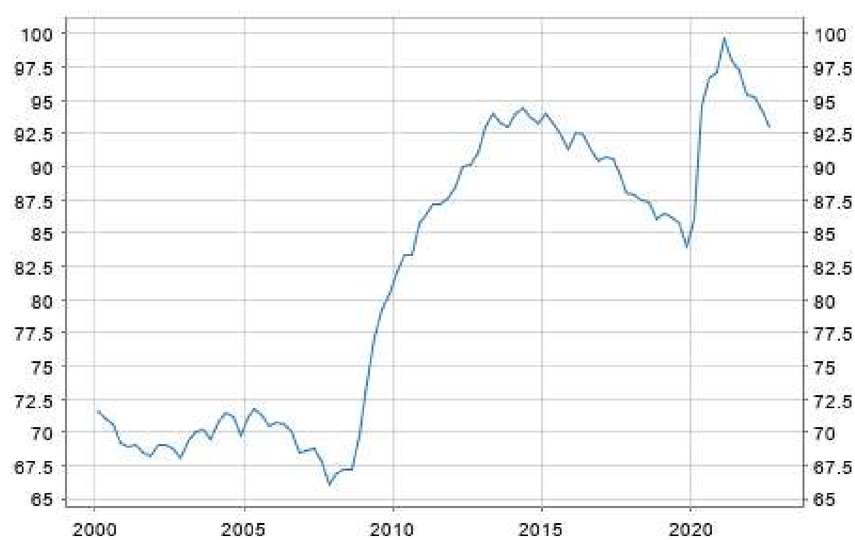
Concentration risk

The diversification of services offered by companies within the holding is observable only in the media sector where, besides television, they are focused on other forms of advertising. There is a risk that were there changes in the needs of the advertising market, the Group may fail to respond flexibly and quickly to them, which could have the potential to reduce revenues for companies within the Group.

Risk of an unstable Eurozone

The current unstable situation in Europe and unresolved issues of assistance to disproportionately indebted EU members expose the Slovak Republic and Austria, as Eurozone members, to the risk associated with the strategy of assistance to these Eurozone countries. In the context of strengthening the power of the European financial stabilisation mechanism, an increase in guarantees arises. In the case of failure of the EU member countries such as Greece, which has an issue repaying loans from the European financial stabilisation mechanism, associated with the need for financial assistance from other EU member states, could affect the business environment and cause deterioration of the general economic situation in Slovakia, Austria, Croatia and the Czech Republic as well as in other EU countries upon which the Group is commercially dependent. The aforementioned circumstances, as well as all related regulations, measures and decisions could negatively affect the Group's financial performance.

Eurozone indebtedness (% of GDP)



Source: European Central Bank (ECB)

Risk of legal action

Due to the nature of the business within media industry holding companies, where often shocking information and information that skirts the law often appear in competitive battles, it is not possible to rule out potential litigation involving subsidiaries. Any eventual losses from judgements and litigation may have a negative impact on the Group's financial position.

Risk of losing significant clients

Advertisers, whether advertising agencies or direct advertisers, are also the cornerstones of business of companies held by JOJ Media House. The loss or termination of these relationships may result in a decrease in revenue from advertising.

Signal transmission risk

Signal transmission is a relatively concentrated sector in Slovakia. There is a risk that, with the onset of digitisation, distributing companies will gain a stronger bargaining position and be more selective when concluding new contracts. They may also seek adjustments in what television station operators charge them. Lack of signal propagation for TV JOJ, PLUS, WAU, JOJ Šport, RiK, Ťuki, JOJ Cinema and JOJ Family programme structures could lead to a decline in advertising revenue.

Risk of non-renewal of leasing contracts

Structures with advertising that is sold by companies operating in the outdoor advertising market are neither located on land owned by the companies themselves, nor are they the property of the companies held by JOJ Media House, but rather Akzent BigBoard, BigBoard Praha, EPAMEDIA and their subsidiaries rent them. In most cases, relationships with lessors are governed by fixed-term agreements, exposing them to the risk that, upon expiry of the agreed period, they will not be renewed, whether due to the lessor's reluctance to extend the agreement by or other limitations. Therefore, there is a risk that adequate replacement space for selling advertising cannot be found, which can cause a reduction in advertising revenue.

Currency risk (EUR/USD exchange rates)

The Group, especially Slovenská produkčná, a.s., is exposed to an internal risk factor from the volatility of exchange rates, primarily between the US dollar (USD) and the euro (EUR). The majority of film and television series licences are acquired from transatlantic film studios and licensing houses and paid in USD. Slovenská produkčná, a.s., periodically enters into forward currency contracts to hedge currency risk from the EUR/USD exchange rate.

EUR/USD exchange rates 2013-2022

Source: European Central Bank (ECB)

Natural catastrophes

No industry can avoid natural disasters, some of which can have a devastating impact on the operation of all companies. These include, for example, meteorological, geological or other disasters that could interrupt signal transmission. In outdoor advertising, such events may significantly damage, or even destroy advertising spaces and greatly reduce their number.

Risk of legislative changes

As the market, society and overall conditions evolve, national laws are also being developed and amended. The Group has expanded its operations to four Central and Eastern European countries and has therefore identified the risk of changing legislation. These are changes to outdoor advertising laws, such as the Prague Construction Regulations – specific legal regulations regarding changes and restrictions on the placement of advertising media, their distance from roads, and the like. Possible changes in the law will require additional expenditures for advertising space relocation, and ultimately reduce the total number of advertising media.

09 ADMINISTRATION AND MANAGEMENT

Ownership Structure

JOJ Media House is owned by the following companies:

TV JOJ L.P. (99.9 %).
Mgr. Richard Flimel (0.1 %)

Share Capital

JOJ Media House's capital comprises 1,000 registered ordinary share certificates with a par value of €25.00 and an issue price for each share of €27.50.

Qualifying Participation in the Share Capital

99% of shares comprising JOJ Media House’s capital are held by TV JOJ L.P. and the remaining 0.1 % by Mgr. Richard Flimel. These shares are not freely tradable. HERNADO LIMITED acts as a general partner on behalf of TV JOJ L.P. HERNADO LIMITED’s ultimate owner is Mgr. Richard Flimel.

JOJ Media House neither owns, nor has issued any other securities traded on a regulated market in any Member State or country of the European Economic Area except Slovakia. It has executed **five issues of bonds** listed on the Bratislava Stock Exchange (Burza cenných papierov v Bratislave, a.s.). The first issue amounted to €25 million (ISIN: SK4120008244). These bonds were repaid on 21 December 2015. The second issue reached a level of €55 million (ISIN: SK4120009382) and these bonds were repaid on 15 August 2018. The third issue amounted to €48.5 million (ISIN: SK4120011222) and these bonds were repaid on 7 December 2021. The fourth issue amounted to €50 million (ISIN: SK4120014390) and the fifth issue amounted to € 35 million EUR (ISIN: SK4000019972).

General Assembly

JOJ Media House’s supreme body is the General Assembly, whose scope of powers is defined by Act 513/1991 - the Commercial Code, as amended, and the Articles of Association. The General Assembly consists of all attending shareholders, directors, the Supervisory Board and other persons invited by JOJ Media House’s statutory body or shareholders convening the General Assembly. Shareholders are entitled to attend the General Assembly, vote, request information and explanations concerning corporate affairs and entities JOJ Media House controls, which are covered in the General Assembly’s agenda, and to present proposals.

Shareholders may exercise their rights at the General Assembly through a proxy holder who presents the written scope of authorisation. The exercise of the shareholders’ right to vote is not limited by the Articles of Association. The number of each shareholder’s votes is determined by the ratio of the nominal value of their shares to total share capital.

The General Assembly makes decisions through a majority vote of the shareholders present.

A two-third majority vote of the shareholders present is required to amend the Articles of Association, raise or reduce share capital, authorise the Board of Directors to raise share capital, issue priority or convertible bonds, dissolve JOJ Media House or change its legal form, and a notarial deed of any of these actions has to be drawn up.

A two-thirds majority vote of the shareholders present is also necessary to adopt a decision of the General Assembly to terminate the trading of JOJ Media House’s shares on a stock exchange, and cessation to be a public joint stock company becoming a private joint stock company.

Any decision taken at the General Assembly to amend the rights associated with some class of shares and to restrict the negotiability of registered shares requires the consent of a two-thirds majority vote of the shareholders owning the respective shares.

Share capital can be raised with the entry of new contributions for subscribing new shares, using property owned by JOJ Media House or other funds recognised as its equity in separate financial statements, or combination thereof.

The powers vested at the General Assembly include:

a) Amending the Articles of Association by a two-thirds majority vote of the shareholders present;

b) Electing and dismissing directors serving on the Board of Directors by a majority vote of the shareholders present and the appointment of the chairman of the Board of Directors from among the directors serving thereon. The term of a director serving on the Board of Directors is five years. Only a natural person may serve on the Board of Directors.

c) Electing and dismissing members of the Supervisory Board by a majority vote of the shareholders present, except for the members of the Supervisory Board that have been elected by employees and would be dismissed by them. The term of members serving on the Supervisory Board is five years. The chairman of the Supervisory Board is elected and dismissed by members of the Supervisory Board from among themselves, and he or she is not permitted to vote on his or her election or dismissal. Only a natural person may serve on the Supervisory Board.

As at the date of this Annual Report, JOJ Media House possess none of its parent's treasury shares, interim certificates or equity interests.

The General Assembly was convened in the period from **1 January 2022 to 31 December 2022** to take the following action:

- On 14 April 2022, the **annual General Assembly** was held for the purpose of consultation and approval of the regular separate financial statements and to settle JOJ Media House's losses for 2021.
    - The draft report by the auditor on the separate financial statements of JOJ Media House for the year ending 31 December 2021 was acknowledged and approved.
    - Reported losses amounting to €7,156,182 were recognised as accumulated losses on JOJ Media House's balance sheet for the year ending 31 December 2022.
    - KPMG Slovensko spol. s r.o. was approved as the auditor of JOJ Media House's financial statements for the year ending 31 December 2022.

- On 14 April 2022, the **annual General Assembly** was held for the purpose of consulting and approving the consolidated financial statements along with the Annual Report for 2021.
    - The draft report by the auditor on JOJ Media House´s consolidated financial statements and annual report for the year ending 31 December 2021 was acknowledged and approved.

Board of Directors

The Board of Directors is the statutory body of JOJ Media House, a.s. and authorised to act on its behalf in all matters. It represents JOJ Media House in its relationships with third parties, in legal action and before any other authorities. The Board of Directors manages JOJ Media House's activities and decides on all its matters unless they fall within the competence of the other bodies within it under either the law or the Articles of Association. The Board of Directors is in charge of governance and handles all operational and organisational matters. It is in charge of assuring proper accounting of transactions, keeping journals and other records, bookkeeping and retaining other documents belonging to JOJ Media House. Among other things, it submits separate annual accounts and extraordinary financial statements, submits at the General Assembly for approval by the shareholders the proposed distribution of profits including the paying out of dividends and royalties, the payment method and place, or how to cover the losses. The Board of Directors also convenes the General Assembly of JOJ Media House.

The Board of Directors has a single member:

• **Mgr. Richard Flimel** – Chairman of the Board of Directors (elected 6 November 2010).

Supervisory Board

The Supervisory Board is JOJ Media House's main control body with oversight over the Board of Directors and corporate activities. The Supervisory Board reviews procedures in matters pertaining to JOJ Media House and is entitled at any time to inspect accounting documents, files and records relating to its activities and to ascertain its financial position. The Supervisory Board examines the financial statements JOJ Media House is required by commercial law to prepare and the proposed distribution of profit or coverage of losses, and is furthermore required to submit a report on its review of the General Assembly. The Supervisory Board will convene the General Assembly should serious deficiencies be found in the management of JOJ Media House and in other cases in its interest.

As at the date of publication of the Annual Report, the Supervisory Board was composed of three members:

- **Mgr. Marcel Grega** – Chairman of the Supervisory Board (elected 6 November 2010),

- **Ing. Mojmír Mlčoch** – Member of the Supervisory Board (elected 21 April 2016),

• **János Gaál** – Member of the Supervisory Board (elected 17 October 2011).

Audit Committee

At the extraordinary meeting of the General Assembly held on 31 January 2017, it was decided for the Supervisory Board to assume the activities previously delegated to the Audit Committee by a specific regulation governing the powers and activities of audit committees.

Code of Corporate Governance in Slovakia

JOJ Media House is fully aware of the importance of maintaining principles of Corporate Governance. On 11 December 2017, the Board of Directors declared its compliance with the principles of the **Slovak Code of Corporate Governance**. The Compliance Statement includes complete information about JOJ Media House's management methods as well as information on deviations from the Slovak Code of Corporate Governance. All this information is published on the www.jojmediahouse.sk website. The governance of JOJ Media House from this Code in the following points:

I.C.2.iii

The corporate governance framework should allow the use of electronic voting in absentia, including the electronic distribution of proxy advisory documents and reliable voting validation systems.

This principle has not been met. JOJ Media House does not use electronic voting at the General Assembly.

I.C.4

To elect members of the company bodies and to decide on their remuneration is the fundamental right of the shareholder. Effective shareholder participation in decisions on the nomination, election and remuneration of members of corporate bodies should be encouraged.

This principle has been met partially. JOJ Media House proceeds in accordance with the Commercial Code and the Articles of Association, but the members of the Supervisory Board and the Board of Directors are not entitled to any remuneration.

I.C.4.iv.

The remuneration system for members of corporate bodies and employees in the form of shares should be approved by shareholders.

The principle does not apply to us. JOJ Media House does not remunerate in the form of shares.

I.C.4.v.

Remuneration for members of company bodies and senior management should be made public, especially as regards the remuneration scheme; as well as the total amount of compensation paid under this scheme, explaining the link between the remuneration and the performance of the company.

This principle has not been met. JOJ Media House proceeds in accordance with the Commercial Code and the Articles of Association, but the members of the Supervisory Board and the Board of Directors are not entitled to any remuneration.

I.C.4.vi.

Non-financial remuneration schemes (shares, etc.) should be approved by shareholders, either for particular individuals or the functioning of the whole system.

The principle does not apply to us. JOJ Media House does not remunerate in the form of shares and options.

I.C.6

Obstacles to cross-border voting should be removed.

This principle has been met partially. The voting time allows domestic and foreign shareholders to respond in time. However, JOJ Media House does not use electronic voting.

I.C.6.iii

In order to further facilitate the voting of foreign investors, laws, rules and corporate procedures should allow participation in voting in electronic form and in a non-discriminatory manner.

This principle has not been met. JOJ Media House does not have electronic voting at the General Assembly.

II.D.

The corporate governance framework should require service providers, such as proxy advisers, analysts, brokers, rating agencies, and others who provide analysis or advice with the possibility of influencing the decisions of investors / shareholders to adopt, apply and publish procedures to minimise conflicts of interest that could impair the integrity of their analysis or advice.

This principle has not been met. The potential conflict of interest on the part of external consultants is resolved by agreements concluded with them, upon which they are obliged to act in the best interests of their client.

IV.A.4.

The disclosure of information should include, inter alia, the following information:

Statement of remuneration in the company, including information about the remuneration of members of corporate bodies and senior management, as well as information on the link between the remuneration of members of the bodies and senior management and the long-term performance of the company.

This principle has not been met. JOJ Media House neither maintains nor publishes any statement of remuneration. The members of the Supervisory Board and the Board of Directors are not remunerated for their position.

IV.A.5

The disclosure of information should include, inter alia, the following information:

Information about members of the company bodies, including their qualifications, selection procedures, ownership of shares in the company, membership in other bodies, other executive functions, and whether the company body considers them to be independent.

This principle has been met partially. JOJ Media House publishes information about the members of its bodies, but less comprehensively than required by the Slovak Code of Corporate Governance.

IV.A.9.i.

The disclosure of information should include, inter alia, the following information:

The internal arrangement of the bodies and the strategy in the field of corporate governance. Information should be disclosed about the internal arrangement of the bodies and the strategy in the field of corporate governance, including the content of any corporate governance code or the procedure and processes through which it is implemented.

This principle has been met partially. Corporate governance is based on the Slovak Code of Corporate Governance, the Articles of Association, and the internal rules of JOJ Media House.

IV.C.i.

The audit committee or a similar body of the company should oversee the internal audit activities as well as the overall relationship with external auditors.

This principle has been met partially. On 31 January 2017, the Supervisory Board took over the activities of the audit committee under a specific regulation governing the powers and activities of audit committees.

V.D.5.iv.

The company body or appointment committee should identify potential candidates who meet the required profiles and propose them to shareholders and consider candidates nominated by shareholders who have the right to submit nominations.

This principle has been met partially. JOJ Media House has not established an appointment committee.

Internal Control Systems

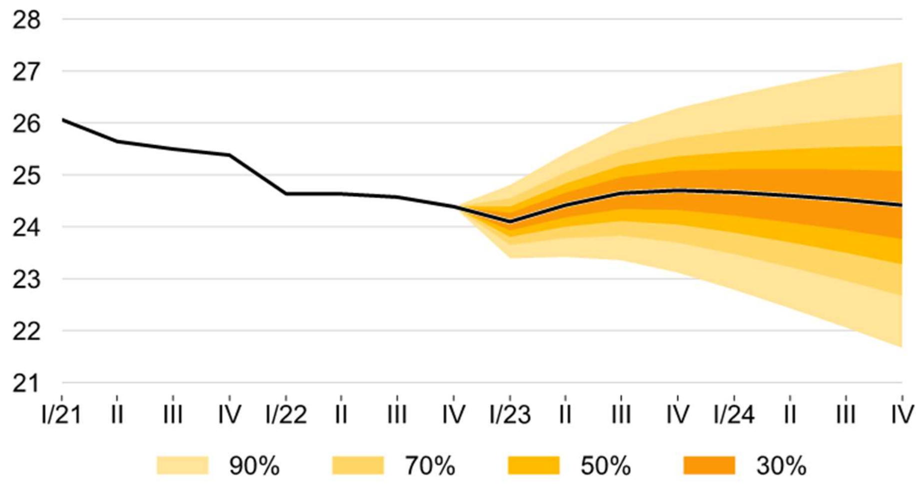
Analyses of profit, cash flow, liquidity, profitability, activity, and debts, as well as cost analyses form part of the system of internal controls and financial management in the Group. They are connected with strict control measures in accounting and monitoring devices of a technical nature. Using the system of internal controls, we ensure compliance of JOJ Media House's activities with its laws, internal rules, and objectives, as well as information necessary for decision-making processes. The audit committee's primary duty is making suggestions and recommendations regarding the execution of internal controls and overseeing compliance with legal regulations and recommendations relating to financial reporting and auditing at JOJ Media House. Its internal rules govern the organisational framework, rules for relationships, responsibility, and performance within the internal control system. The Group ensures internal control through regular monitoring of the financial plan and its overall financial situation. Its role is to act preventively in accordance with internal rules and policies, detect deviations and eliminate them.

RISK MANAGEMENT METHODS

Liquidity Risk – This risk arises out of the conventional financing of the Group's operations, its ability to repay its liabilities at maturity and to manage its financial position. It represents a risk of inability to finance assets at a reasonable maturity and interest rate, and the danger of being unable to realise assets at a reasonable price within a reasonable time horizon. Individual companies in the Group use a variety of methods to manage liquidity risk that focus on monitoring and managing the liquidity of each company. The Group covers the difference between short-term financial assets and liabilities using undrawn loans. Short-term financial needs are satisfied by overdraft loans and undrawn credit lines.

Currency Risk – The Group is exposed to currency risk mainly related to US dollars (USD) and Czech koruna (CZK). Long-term acquisition agreements are denominated primarily in USD. Therefore the Group manages currency risk through forward contracts. The currency risk to CZK arises mainly out of received interest-bearing loans denominated therein. Currency risk is assessed using a sensitivity analysis.

Forecast CZK/EUR currency exchange rate

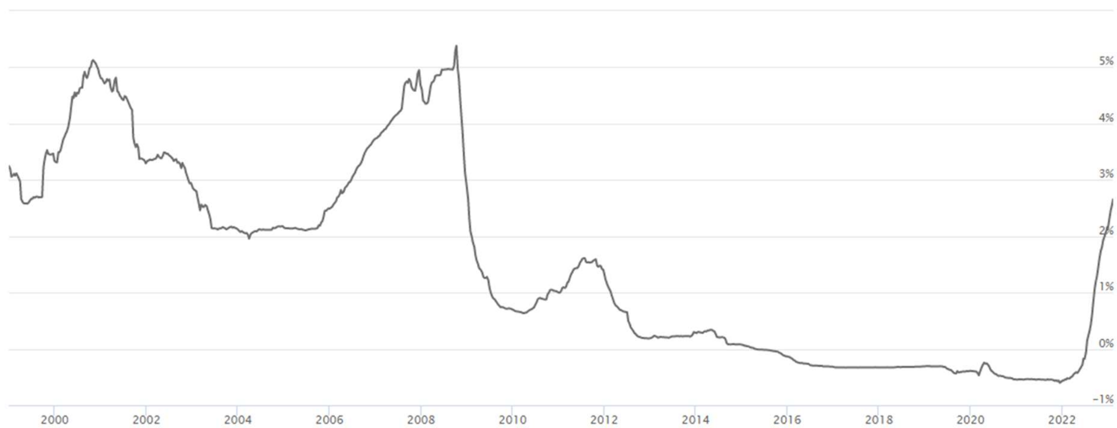


Source: Czech National Bank (CNB)

Credit Risk – The Group is exposed to this risk primarily in the case of trade receivables, other receivables, and loans granted. The volume of exposure to this risk is expressed in the carrying amount of the particular asset recorded in the statement of financial position. The carrying value of receivables and loans granted reflects the highest possible financial loss, which would have to be recognised were the counterparty to wholly fail in meeting its contractual obligations and any collateral and the guarantee would be nil. This value, therefore, highly exceeds the expected losses included in the reserve for bad debts.

Interest Rate Risk – The Group's operations are exposed to the risk of changes in interest rates. The volume of this risk is equal to the value of interest-bearing assets and interest-bearing liabilities for which the interest rate at the due date or at the time of change is different from the current interest rate. The period for which the rate is fixed to the financial instrument, therefore, expresses the exposure to the risk of changes in interest rates. The Interest Sensitivity Analysis for Variable Rate Instruments and the Profile of Financial Instruments are used to assess interest rate risk.

EURIBOR 3M



Source: https://www.euribor-rates.eu/en/euribor-charts/

Operational Risk – The Group is also exposed to operational risk, such as a broadcast blackout. The Group manages this risk by diversifying retransmission options and implements redundant technology solutions to eliminate it.

Management Methods

Methods for managing the companies in the Group include those for financial planning, raising funds, budgeting, and financial analysis. Due to its international reach, cross-national management diversity is an essential component of Group management. The companies also place emphasis on processes and management of areas such as market research and analysis, marketing research, promotion, brand management, sales, CRM and HRM. In management, the Group uses a continental corporate governance model focused on efficiency.

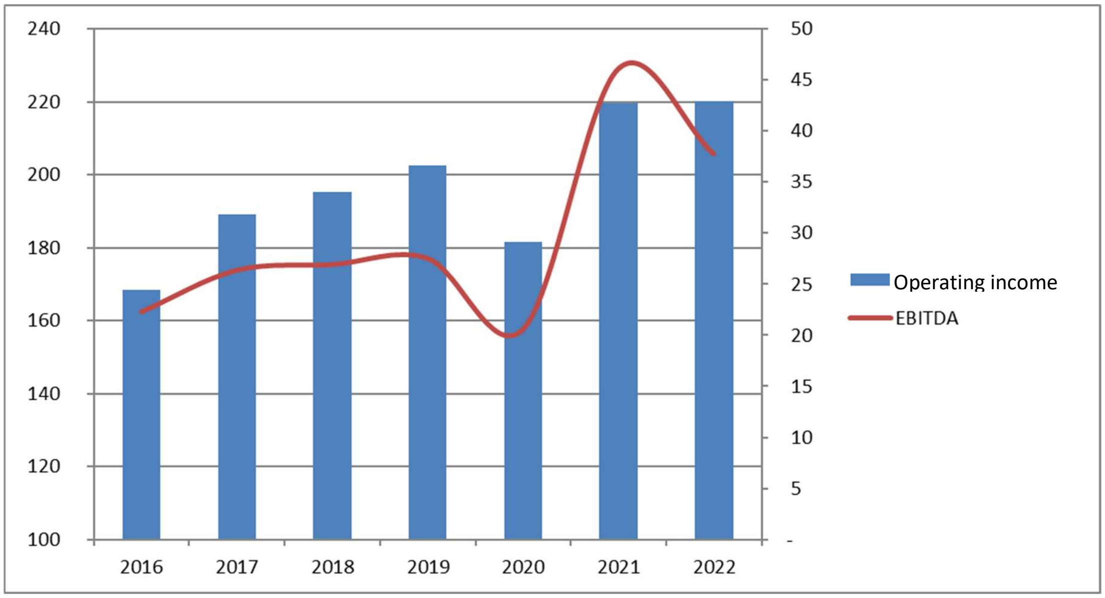
Business Model

JOJ Media House's business model is based on selling advertising space, whose price is crucially dependent on audience measurement, monitoring and surveys in target groups of end-users, usually the target group aged 12 to 54. The measurements are ultimately used to order advertisements and for pricing them, using gross rating points (GRPs) that quantify the impression as a percentage of the target group. In this type of business, it is common to conclude advertising contracts at the end of the year for the next year. No significant risks of impact on the area of corporate social responsibility arise out of JOJ Media House's business relationships, products, services or its other activities. The previous chapters describe each activity.

Expected Future Development of JOJ Media House's Activities

JOJ Media House's management anticipates the development of media investments to copy changes in GDP. The available data indicate a deceleration of economic activity in the countries where the Group does business, which may have an impact on investments to purchase advertising space in 2023. With economic performance undergoing changes, investments in the media industry will see shifts as well. No entry of a major competitor into this market is expected. All those factors will carry implications for the Group's revenues and operational profitability.

Group financial indicators (in millions of euro, excluding the impact of IFRS 16)



Source: Group Consolidated Financial Statements

Proposed Distribution of Profit or Offsetting of Losses

Offsetting of losses amounting to € 3,379,165, which was reported by JOJ Media House, a.s., for 2022, will be decided at the General Assembly. The proposal by the Board of Directors to be submitted there is as follows:

- Recognition of the amount of € 3,379,165 in accumulated losses.

The shareholders or partners of the individual companies within the Group, depending on their legal form, will decide on the distribution of their profits or offsetting of their losses.

Other Additional Information

Last year, JOJ Media House, a.s., and the companies included in its consolidated financial statements incurred no research and development costs.

JOJ Media House has no structural units outside Slovakia.

Slovenská produkčná uses foreign exchange forward transactions to hedge the financial risk of negative development in converting US dollars to euro. The Group hedges financial and credit risks through diversified financing. Cash flow and liquidity parameters are monitored at regular intervals.

JOJ Media House has concluded no agreements that will enter into force, amend previous agreements or terminate them as a result of a change in control from a takeover bid.

There are no agreements concluded between JOJ Media House and members of its bodies or employees whereunder they should be compensated were their tenure or employment, respectively, to end by resignation, employee’s notice of termination, dismissal, employer’s notice of termination without cause, or if their tenure or employment is terminated due to a takeover bid.

JOJ Media House does not engage in any activities that have an impact on the environment and have no significant impact on employment.

JOJ Media House is not aware of any agreement between the owners of securities that could lead to restrictions on voting rights and the negotiability of securities.

The exercise of the shareholders' right to vote is not limited by the Articles of Association.

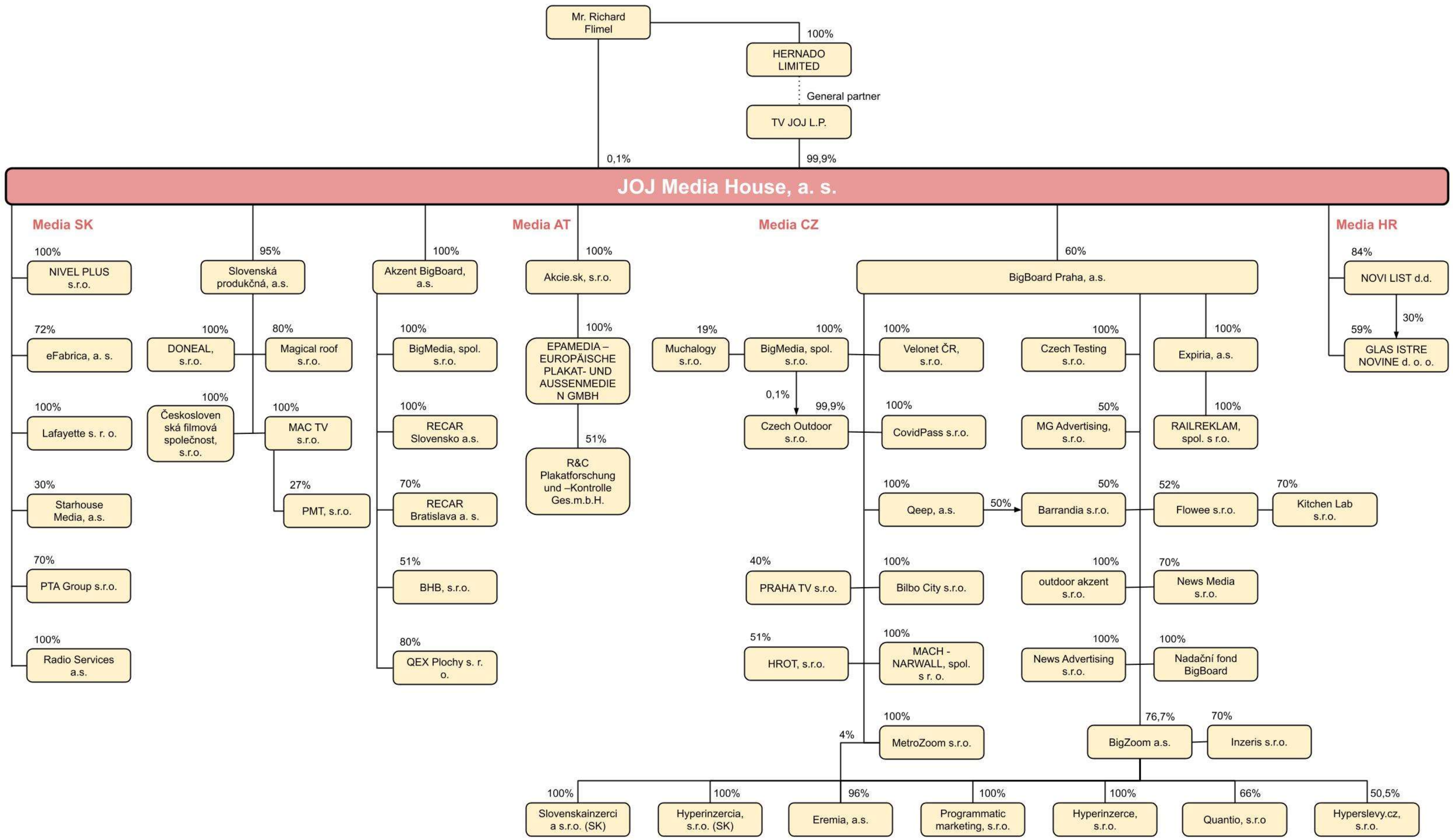
No securities that would give the holders special control rights had been issued as at the date when this Annual Report was prepared.

In 2012, BigBoard Praha, a.s. issued two series of bonds. The first issue amounted to CZK 730 million (ISIN: CZ0003502312) and the second issue reached a level of CZK 660 million (ISIN: CZ0003503153). The first issue was repaid during 2019.

As at the date of the Annual Report, JOJ Media House is not aware of any additional specific regulations that would require it to add any new information to the annual report.

The contact person responsible for preparation of the annual report is Ing. Vladimír Drahovský, drahovsky@joj.sk, +421917643681

10 ORGANISATIONAL STRUCTURE



11 CORPORATE SOCIAL RESPONSIBILITY

Establishment and Incorporation of TV JOJ Foundation

The TV JOJ Foundation was incorporated on 18 June 2007 and since August of the same year it has been following its mission of **“helping those who try”**. Upon its establishment, the Governing Board designated the areas below to be the core objectives:

- Paediatric oncology
- Gifted children
- National cultural heritage
- Individually designed humanitarian aid for individuals or groups of persons

The foundation fulfils its purpose, in particular, by providing funds through donations and grants to individuals, non-profit institutions, non-governmental organisations, educational institutions, municipalities and other associations providing public services. During its existence, the **foundation has distributed more than €3.1 million**. In 2022, this figure was €221,407.18.

The Foundation has a nine-member Board of Directors composed of TV JOJ staff. Marcel Grega is the Chairman, Vladimir Fatika is the Foundation Administrator and Natália Báreková is the Executive Manager.

Overview of 2022 Activities

The foundation's activities were still slightly limited by the COVID-19 pandemic and related measures to combat it. Nevertheless, the foundation ensured its smooth operation and all activities that had been suspended were implemented in alternative terms.

Gifted Children – Sports Talents

The main mission is to support and develop sporting activities in elementary schools and in smaller towns and municipalities.

The 2019-20 season of the Floorball SK League was suspended because of restrictions in full-time teaching and the negative opinion on collective sports within schools, but the TV JOJ Foundation managed to organise a two-day floorball tournament in May 2022 for schools that had won regional tournaments before the pandemic. But pandemic measures forced the tournament to be cancelled. However, the schools participating in the final had a readied tournament and arranged accommodation, all-day meals, free entry to the water park and an autograph session with actors from the series *Hranica* (*The Border*).

Integrating a team of children with hearing and verbal challenges, mental handicaps and autism into the tournament contributed toward eliminating prejudices and showed that children with handicaps can also be an equal opponent or partner for sport.

National Cultural Heritage

The TV JOJ Foundation also produced *Agneša Urbanová*, a documentary film about a nine-year-old girl who hid with her parents in a mountain bunker, where they were eventually discovered and sent to concentration camps. Although both of her parents died, she survived.

It also broadcast another documentary about Anna Malinová, who provided safe shelter for Josef Gabčík, a Slovak soldier involved in the assassination of Reinhard Heydrich.

Other Support

Psychiatric clinics

Together with TV JOJ, the foundation funded six child psychiatric clinics through SMS collections of €42,233 for reconstruction, clinical aid and to improve child psychiatry facility conditions. Institutions The donations were given to facilities located in Bratislava, Michalovce, Kremnica, Prešov and Martin.

War in Ukraine

The foundation has been actively involved in helping people affected by the military conflict in Ukraine and has secured funding of €132.000 for the following support:

- € 10,000 to the Magna organisation for medical and paramedical assistance in Ukraine
- €2,500 to People in Need for humanitarian aid for refugees from Ukraine
- €2,500 to IPCčko to provide psychological support for refugees at the border
- €30,000 to Post Bellum to provide protective equipment for the civilian population suffering from the war in Ukraine (life jackets and helmets)
- €70,000 to Turancar to transport refugees from Ukraine to their final destinations and humanitarian aid to warehouses in Slovakia and Ukraine
- €17,000 to the Bratislava district of Ružinov for a day-care centre serving refugee children from Ukraine. The donation was used to renovate space and purchase equipment. Mothers and grandmothers from Ukraine work in the day care centre.

The foundation also provided material assistance to Ukraine.

Support for the elderly

The TV JOJ Foundation participated in Behaj lesmi (Run through the Forests), an event organised at Devín, Bachledova dolina, Veľká Fatra, Čičmany and Štiavnické vrchy in Slovakia, where the foundation and the organiser would donate to selected homes for the elderly ten euro cents for every kilometre run. A total €15,163 was collected from the event for funding the following homes:

- € 2,975 for the Pažítkova 2 Senior Citizens Home
- € 3,073 for the Sloven Centre for Social Services
- € 2,519 for Senior Tatry
- € 3,047 for Senires Ružomberok
- € 3,549 for Domov života Banská Štiavnica (Banská Štiavnica Home of Life)

Charity calendar

The TV JOJ Foundation further drew attention to the need to promote mental health and spread awareness of it and prepared a twelve-issue thematic calendar for 2023, one for each month of the year. Difficulties that can cause or be symptoms of serious mental illnesses were portrayed by TV JOJ personalities in an expressive way. Eating disorders was presented by Celeste Buckingham, anxiety by Milo Kráľ, self-esteem and self-love by Simona Kollárová, burnout by Braňo Deák, alienation in relationships by Janka Labajová and Juraj Šoko Tabaček, toxic positivity by Dominika Žiaranová, clinical depression by Noel Czuczor, labelling and unsolicited criticism by Hana Gregorová, learning disabilities by Mirka Partlová, loneliness and isolation by Richard Autner, manipulation by Marta Jandová, and addiction to social networks (Michal Hudák).

Proceeds from the sale of the calendars and TV JOJ's own contribution of €20,000 will be donated to IPčko, which runs a helpline for people with mental health problems and an online counselling centre, while also provides counselling and therapy.

Celebrities joined the project at no charge, Slovak fashion designers lent dresses for the photo shoot for the ladies, Ozeta for the gentlemen, and the photo shoot space was also lent. No fees were paid for any of these services.

Other support

The JOJ TV Foundation participated in the provision of financial support to the following organisations:

- € 500 to the Slovak Hobby Horse Riding Association for the Slovak Hobby Horse Riding Championship

- € 1,000 to FBC Lions for children’s sports activities and support for the floorball club
- € 4,211.18 to DART Racing for sports activities
- € 300 to Čakany - Hope for Children with Activity and Attention Disorders to provide support for mentally disadvantaged children
- € 500 to Tobias Hoffer for physiotherapy, hippotherapy and swimming.
- € 500 to Tomáš Sabovčík for improving DMO patient health relationships
- € 700 to Jasiv - Divinsky Boyard for a sports-educational project aimed at preventing violence and crime
- € 4,200 to Children's Surgery - OZ Slniečko na ceste for production of an animated fairy tale to improve the safety of children on the road
- € 20,000 to Nunez NFE to fund a story on *V siedmom neb* (*In Seventh Heaven*) about the long-term lease of land for a widow with children
- € 100 to a secondary medical school for medical supplies

Activities Planned for 2023

In 2023, the JOJ TV Foundation intends to continue pursuing its activities and preparing the following successful projects:

- Continuation the collection to help children's psychiatric clinics
- Floorball project for inclusion of mentally disadvantaged children
- 2% of unpaid taxes contributed to Naši Našim (Us for Ours), an employee project
- Assistance to mothers in need
- Support for oncology patients
- Support for children with disabilities
- Completion and broadcast of the Agneša Urbanová documentary film
- Humanitarian aid specifically designed for individuals or groups of people through organised ongoing public drives that can be used immediately in emergencies such as fires, floods, and landslides.

Corporate Social Responsibility

JOJ Media House’s activities imply no exposure to risks and potentially adverse consequences for corporate social responsibility.

The Foundation’s commitment to corporate social responsibility was reflected in the following areas:

Economic:

- Limiting cash payments as part of the introduction of compliance, ethical behaviour, and preventing corruption.
- Transparency reflected in systems for ordering, billing, monitoring of payments and registration of all contracts and agreements.
- Protection of intellectual property rights for the use of copyright-protected assets.
- Good relations with donors, customers, and suppliers, including taking a fair approach toward them.

Social:

- Philanthropy, funding and support through the Foundation, developing children and youth activities, helping socially disadvantaged and vulnerable communities.
- Communicating with stakeholders and providing accurate data and information to customers.
- Respecting human rights and compliance with them.
- Compliance with labour standards and behaving responsibly toward our employees.

Environmental:

- Better handling of resources and electricity, turning off devices in standby mode, reducing environmental impact
- Using electronic documents, reducing paper consumption, and recycling paper
- Protecting the environmental, separating waste of recycling beyond what the law requires

Disclosures pursuant to the EU Taxonomy

Assessment of compliance with the EU taxonomy

The Group's management has prepared an analysis of the Group's economic activities for the 2022 fiscal year, their eligibility and compliance with requirements of the EU taxonomy and in accordance with the Climate Delegated Regulation (EU Commission Delegated Regulation 2021/2139).

The Group considered economic activities to be any involving an input of resources, a production process and outputs in the form of specific goods or specific services that the

Group sells to its customers or uses for its own consumption. The Group has assessed as eligible economic activities any of those described in the Climate Delegated Regulation, regardless of whether it meets any or all of the technical review criteria and minimum social safeguards. An activity can be considered to be aligned with the EU taxonomy if it makes a significant contribution to one of the EU's environmental objectives without significantly undermining the others. Compliance with the technical review criteria for economic activities in 2022 was assessed by the Group in accordance with the Climate Delegated Regulation to the EU taxonomy. They were evaluated against the environmental objective of mitigating climate change, thus to avoid double counting.

Based on this analysis, management has assessed that the following economic activities of the Group constitute eligible activities:

— 7.7 Acquisition and ownership of buildings

Within capital and operating expenditure, the Group has further identified the following economic activities linked to the purchase of outputs from eligible economic activities and to individual measures related to the energy performance of buildings the Group owns:

— 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

— 7.3 Installation, maintenance and repair of energy efficiency equipment

— 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

The Group's economic activities have no significant impact on either climate change mitigation or adaptation and therefore only a small proportion thereof can be currently considered eligible, as reflected in the Group's key performance indicators under the EU taxonomy for the 2022 fiscal year. The Group has assessed its television and radio broadcasting activities not to constitute support for eligible economic activities under 13.1. Creative, artistic and entertainment activities or 13.3. Production of films, videos and television programmes, preparation and publishing of sound recordings listed in Annex II to the Climate Delegated Regulation as the Group has not enough reliable data to demonstrate that these activities contribute to climate change adaptation or promote increased resilience to physical climate risks, as the case may be.

Acquisition and ownership of buildings

The Group leases office buildings it owns, all of whose construction had been completed by 31 December 2020. In accordance with the Climate Delegated Regulation, this economic activity contributes significantly to climate change mitigation if the buildings have at least an Energy Performance Certificate (EPC) class A or if they fall within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock distinguishing at least between residential and non-residential buildings. Due to the lack of necessary data on the building stock in the countries in which the Group operates, the Group has not assessed this criterion. The buildings leased by the Group in 2022 did not meet the criterion for energy performance and, therefore, the Group considers this activity to be eligible but not aligned with the EU taxonomy.

The Group is currently assessing possible measures to improve the energy performance of its buildings and also the relevant physical climate risks and vulnerability of its leasing activities through climate change projections in line with the International Panel on Climate Change's RCP 8.5 Representative Concentration Pathway scenario, as it assumes the most significant climate change impacts. If necessary, the Group will identify appropriate adaptation solutions to mitigate the impact of specific physical climate changes.

Compliance with the minimum safeguards

Minimum safeguards are defined by Article 18 of the EU Taxonomy Regulation as the procedures applied by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights. In view of the lack of guidance and application practice with respect to the assessment of compliance with the minimum safeguards requirement, and also as a matter of prudence, the Group's Management has decided to consider this criterion as not being met, despite having performed an analysis. For this reason, all of the Group's relevant economic activities are listed as eligible under the EU taxonomy but not eco- sustainable under the key performance indicators thereof. The Group is currently working on a detailed analysis of the minimum safeguard requirements and their impact on the Group's operations, and will be taking appropriate action.

Accounting methods for preparing disclosures under the EU taxonomy and other information

Turnover

The turnover indicator has been calculated as the proportion of turnover from activities that relate to economic activities in accordance with the EU taxonomy to net turnover, which represents the Group's sales as reported in Note 5 of the notes to the Group's consolidated financial statements.

The Group carried out no economic activities consistent with the EU taxonomy for own internal consumption for the year ended 31 December 2022.

Capital expenditure

The capital expenditure indicator has been quantified as the proportion of total capital expenditure that (a) relates to assets or processes linked to economic activities in accordance with the EU taxonomy; (b) are part of a capital expenditure plan related to activities in accordance with the EU taxonomy or to align target activities with the EU taxonomy; or (c) are related to the purchase of the output of economic activities in accordance with the EU taxonomy and to individual actions with the intention to reduce the greenhouse gas emissions of the economic activity or to make it low-carbon; on total capital expenditure.

The Group considers additions to tangible and intangible assets for 2022 to be capital expenditure, including additions arising from the recognition of the right to use the assets under IFRS 16 as disclosed in Notes 13, 15 and 16 of the notes to the Group's consolidated financial statements.

The Group's eligible capital expenditures in 2022 mainly included technical improvements to buildings, spending on energy efficiency measures for buildings owned by the Group, and the acquisition of passenger cars (including leases with right of use).

Operating expenditure

The operating expenditure indicator has been quantified as the proportion of total operating expenditure that (a) relates to assets or processes linked to economic activities in accordance with the EU taxonomy, (b) are part of a capital expenditure plan related to activities in accordance with the EU taxonomy or to align target activities with the EU taxonomy; or (c) are related to the purchase of the output of economic activities in accordance with the EU taxonomy and to individual actions with the intention to reduce the greenhouse gas emissions of the economic activity or to make it low-carbon as well as individual building renovation measures. The Group's operating expenditure in 2022 primarily comprised the cost of short-term leases, leasing of low value assets, maintenance and repair costs, and all other direct expenses associated with day-to-day maintenance of buildings, plant and equipment carried out by the Group or a third party that are necessary to ensure the continued and efficient operation of such assets.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Raws from top to bottom:
Economic activities
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY
A.1 Eco-sustainable activities (aligned with the Taxonomy)
Turnover from sustainable activities (aligned with the Taxonomy) (A.1)
A.2 Activities eligible under the Taxonomy but not eco-sustainable (activities not aligned with the Taxonomy)
Acquisition and ownership of buildings
Turnover from activities eligible under the Taxonomy (not aligned with the Taxonomy) (A.2)
Total (A.1 + A.2)
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY
Turnover from activities not eligible under the taxonomy (B)

			Kritériá významného prínosu						Kritériá týkajúce sa zásady "výrazne nenarušiť"										
Kód(y)	**Absolútny obrat (v tis. EUR)**	**Podiel obratu (%)**	**Zmiernenie zmeny klimy (%)**	**Adaptácia na zmenu klimy (%)**	**Vodné a morské zdroje (%)**	**Obehové hospodárstvo (%)**	**Znečisťovanie životného prostredia (%)**	**Biodiverzita a ekosystémy (%)**	**Zmiernenie zmeny klimy (áno/nie)**	**Adaptácia na zmenu klimy (áno/nie)**	**Vodné a morské zdroje (áno/nie)**	**Obehové hospodárstvo (áno/nie)**	**Znečisťovanie životného prostredia (áno/nie)**	**Biodiverzita a ekosystémy (áno/nie)**	**Minimálne záruky (áno/nie)**	**Podiel obratu zosúladený s taxonómiou, rok N (%)**	**Podiel obratu zosúladený s taxonómiou, rok N - 1 (%)**	**Kategória (podporná činnosť)**	**Kategória (prechodná činnosť)**
	-	**0,0%**														**0,0%**			
7.7	707	0,3%																	
	707	**0,3%**														**0,3%**			
	707	**0,3%**														**0,3%**			
	216 613	99,7%																	
	217 320	**100%**																	

Columns from left to right:
Code(s)
Turnover (€ 000)
Turnover (%)
Criteria for substantial contribution
Client change mitigation (%)
Climate change adaptation (%)
Water and marine sources (%)
Circular economy (%)
Environmental pollution (%)
Biodiversity and ecosystems (%)
Criteria related to the “do not significantly harm” principle
Client change mitigation (%)
Climate change adaptation (%)
Water and marine sources (%)
Circular economy (%)
Environmental pollution (%)
Biodiversity and ecosystems (%)
Minimum activity (yes/no)
Turnover aligned with the Taxonomy, year N (%)
Turnover aligned with the Taxonomy, year N - 1 (%)
Category (support activity)
Category (transitional activity)

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities

Kód(y)	Absolútne kapitálové výdavky (v tis. EUR)	Podiel kapitálových výdavkov (%)	Kritériá významného prínosu: Zmiernenie zmeny klimy (%)	Adaptácia na zmenu klimy (%)	Vodné a morské zdroje (%)	Obehové hospodárstvo (%)	Znečisťovanie životného prostredia (%)	Biodiverzita a ekosystémy (%)	Kritériá týkajúce sa zásady "výrazne nenarušiť": Zmiernenie zmeny klimy (áno/nie)	Adaptácia na zmenu klimy (áno/nie)	Vodné a morské zdroje (áno/nie)	Obehové hospodárstvo (áno/nie)	Znečisťovanie životného prostredia (áno/nie)	Biodiverzita a ekosystémy (áno/nie)	Minimálne záruky (áno/nie)	Podiel kapitálových výdavkov zosúladených s taxonómiou, rok N (%)	Podiel kapitálových výdavkov zosúladených s taxonómiou, rok N - 1 (%)	Kategória (podporná činnosť)	Kategória (prechodná činnosť)
	-	0,0%														0,0%			
7.3	7	0,1%	[redacted]																
7.5	108	0,8%	[redacted]																
7.7	32	0,2%	[redacted]																
6.5	577	4,3%	[redacted]																
	724	**5,4%**	[redacted]													**5,4%**			
	724	**5,4%**	[redacted]													**5,4%**			
	12 695	94,6%																	
	13 419	**100%**																	

Raws from top to bottom:
Economic activities
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY
A.1 Eco-sustainable activities (aligned with the Taxonomy)
Capital expenditure for sustainable activities (aligned with the Taxonomy) (A.1)
A.2 Activities eligible under the Taxonomy but not eco-sustainable (activities not aligned with the Taxonomy)
Installation, maintenance and repair of energy efficient equipment
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
Acquisition and ownership of buildings
Transport by motorbikes, passenger cars and light commercial vehicles
Capital expenditure for activities eligible under the Taxonomy (not aligned with the Taxonomy) (A.2)
Total (A.1 + A.2)
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY
Capital expenditure for activities not eligible under

Columns from left to right:
Code(s)
Capital expenditure (€ 000)
Capital expenditure (%)
Criteria for substantial contribution
Client change mitigation (%)
Climate change adaptation (%)
Water and marine sources (%)
Circular economy (%)
Environmental pollution (%)
Biodiversity and ecosystems (%)
Criteria related to the “do not significantly harm” principle
Client change mitigation (%)
Climate change adaptation (%)
Water and marine sources (%)
Circular economy (%)
Environmental pollution (%)
Biodiversity and ecosystems (%)
Minimum activity (yes/no)
Capital expenditure aligned with the Taxonomy, year N (%)
Capital expenditure aligned with the Taxonomy, year N - 1 (%)
Category (support activity)
Category (transitional activity)

Proportion of operating expenditure from products or services associated with Taxonomy-aligned economic activities

				Kritériá významného prínosu						Kritériá týkajúce sa zásady "výrazne nenarušiť"										
Hospodárske činnosti	Kód(y)	Absolútne prevádzkové výdavky (v tis. EUR)	Podiel prevádzkových výdavkov (%)	Zmiernenie zmeny klímy (%)	Adaptácia na zmenu klímy (%)	Vodné a morské zdroje (%)	Obehové hospodárstvo (%)	Znečisťovanie životného prostredia (%)	Biodiverzita a ekosystémy (%)	Zmiernenie zmeny klímy (áno/nie)	Adaptácia na zmenu klímy (áno/nie)	Vodné a morské zdroje (áno/nie)	Obehové hospodárstvo (áno/nie)	Znečisťovanie životného prostredia (áno/nie)	Biodiverzita a ekosystémy (áno/nie)	Minimálne záruky (áno/nie)	Podiel prevádzkových výdavkov zosúladených s taxonómiou, rok N (%)	Podiel prevádzkových výdavkov zosúladených s taxonómiou, rok N - 1 (%)	Kategória (podporná činnosť)	Kategória (prechodná činnosť)
		-	**0,0%**														**0,0%**			
	7.7	33	0,2%																	
	6.5	138	1,0%																	
		171	**1,3%**														**1,3%**			
		171	**1,3%**														**1,3%**			
		13 374	98,7%																	
		13 545	**100%**																	

Raws from top to bottom:
Economic activities
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY
A.1 Eco-sustainable activities (aligned with the Taxonomy)
Operating expenditure for sustainable activities (aligned with the Taxonomy) (A.1)
A.2 Activities eligible under the Taxonomy but not eco-sustainable (activities not aligned with the Taxonomy)
Acquisition and ownership of buildings
Transport by motorbikes, passenger cars and light commercial vehicles
Operating expenditure for activities eligible under the Taxonomy (not aligned with the Taxonomy) (A.2)
Total (A.1 + A.2)
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY
Operating expenditure for activities not eligible under the taxonomy (B)
Total (A+B)

Columns from left to rights:
Code(s)
Operational expenditure (€ 000)
Operational expenditure (%)
Criterial for substantial contribution
Client change mitigation (%)
Climate change adaptation (%)
Water and marine sources (%)
Circular economy (%)
Environmental pollution (%)
Biodiversity and ecosystems (%)
Criteria related to the "do not significantly harm" principle
Client change mitigation (%)
Climate change adaptation (%)
Water and marine sources (%)
Circular economy (%)
Environmental pollution (%)
Biodiversity and ecosystems (%)
Minimum activity (yes/no)
Capital expenditure aligned with the Taxonomy, year N (%)
Capital expenditure aligned with the Taxonomy, year N - 1 (%)
Category (support activity)
Category (transitional activity)

12 DECLARATION OF THE COMPANY´S BOARD OF DIRECTORS

The individual and consolidated financial statements as of 31 December 2022 have been prepared in accordance with special regulations while providing a true and fair view of the assets, liabilities, financial position and operating result of JOJ Media House.

Mgr. Richard Flimel
Chairman of the Board of Directors